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Electronic News Financial Fact Book & Directory

1986

25th Annual Edition

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New York

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Editor's Note: In order to present a clearer picture of a company's involvement in the Electronics field, we have, in some cases, included only those divisions and subsidiaries related to Electronics.

Robert Benjamin
Chief Research Editor

Arlene Bienenfeld
Robert Egan
Associate Editors

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LEADERS IN THE ELECTRONICS INDUSTRY - 1986

	Electronic Sales	% of Gross Sales In Electronics	Gross Sales in Latest Available Four Quarters
IBM Corp.	$40,998,000,000*	80.0	$ 51,248,000,000
General Motors	9,954,700,000	9.8	101,578,400,000
AT&T	8,990,000,000	25.0	35,960,000,000
General Electric Co.	7,227,750,000*	25.0	28,911,000,000
Hewlett-Packard Co.	6,672,000,000	100.0	6,672,000,000
ITT Corp.	6,602,100,000	30.0	22,007,000,000
Sperry Corp.	5,762,800,000	100.0	5,762,800,000
Motorola, Inc.	5,587,000,000	100.0	5,587,000,000
Northern Telecom Ltd.	5,436,400,000	93.4	5,814,300,000
Honeywell, Inc.	5,187,000,000*	76.0	6,825,000,000
Digital Equipment Corp.	5,161,443,000	68.0	7,570,357,000
RCA Corp.	4,894,100,000*	54.0	9,063,100,000
Xerox Corp.	4,606,500,000	50.0	9,213,500,000
N.A. Philips Corp.	4,517,155,000	95.0	4,754,923,000
NCR Corp.	4,183,807,000	91.5	4,572,467,000
Raytheon Co.	4,043,000,000	59.2	6,830,000,000
Texas Instruments, Inc.	3,975,300,000*	83.0	4,789,500,000
Westinghouse Electric Corp.	3,668,300,000*	33.0	11,116,000,000
Rockwell International Corp.	3,646,000,000*	30.0	12,154,000,000
Allied-Signal, Inc.	3,573,000,000	44.0	8,058,000,000
Control Data Corp.	3,500,500,000	100.0	3,500,500,000
TRW, Inc.	3,371,300,000	56.0	5,993,100,000
Burroughs Corp.	3,172,300,000	62.0	5,116,600,000
Tandy Corp.	3,035,969,000	100.0	3,035,969,000
Litton Industries, Inc.	2,965,023,000	66.0	4,494,263,000
Wang Laboratories, Inc.	2,642,500,000	100.0	2,642,500,000
GTE Corp.	2,449,299,000	15.0	16,326,660,000
Harris Corp.	2,216,636,000	100.0	2,216,636,000
Schlumberger Ltd.	2,084,400,000	36.0	5,790,000,000
Eaton Corp.	1,951,900,000	53.0	3,682,900,000
Apple Computer, Inc.	1,800,721,000	100.0	1,800,721,000
Zenith Electronics Corp.	1,626,000,000	100.0	1,626,000,000
AMP, Inc.	1,492,959,000	85.0	1,758,422,000
National Semiconductor Corp.	1,478,116,000	100.0	1,478,116,000
Penn Central	1,407,000,000*	56.5	2,491,000,000
Teledyne, Inc.	1,382,992,000	42.5	3,254,100,000
Gould, Inc.	1,378,800,000	100.0	1,378,800,000
Intel Corp.	1,320,527,000	100.0	1,320,527,000
Singer Corp.	1,301,900,000	53.6	2,490,885,000
General Signal Corp.	1,280,284,500	75.0	1,707,046,000
E.I. du Pont de Nemours & Co.	1,247,000,000	4.3	29,003,000,000
Data General Corp.	1,237,388,000	100.0	1,237,388,000
Avnet	1,146,636,000	81.0	1,415,600,000
Ford Aerospace & Comm. Corp.	1,116,500,000	85.0	1,319,700,00
Perkin-Elmer Corp.	968,164,000	75.0	1,290,885,000
Varian Associates, Inc.	915,000,000	100.0	915,000,000
Amdahl Corp.	887,837,000	100.0	887,837,000
Sanders Associates, Inc.	861,169,000	100.0	861,189,000
M/A-Com, Inc.	835,846,000	100.0	835,846,000
E-Systems, Inc.	825,872,000	80.0	1,032,240,000

*Estimated by *Electronic News*

(Reprinted from *Electronic News* — August 25, 1986)

LOOKING AT THE LEADERS 1986

	STOCK PRICES		STOCK PRICES EARNINGS PER SHARE(A)		P/E RATIOS(B)		EPS (C) PROJ.	ACTUAL	SALES (Millions) Last Four Quarters	Year End
	6-30-86	6-30-85	1986	1985	1986	1985	1986	1985	1986	1986/5
Allied-Signal	44⅞	42⅝	d$3.67	$5.28	12	8	$3.85	$d3.28	$3,573	$8,058
Amdahl	17½	13	.60	.51	29	14	.60	.51	887	887
AMP	37	32¼	1.02	1.43	23	26	1.60	1.35	1,492	1,756
Apple Computer	35⅞	18	2.25	1.13	16	32	1.48	.99	1,800	1,800
AT&T Technologies	25⅜	24¼	1.90	1.34	13	13	1.53	.37	8,954	35,960
Avnet	28⅞	30½	.86	1.84	34	24	.84	1.39	1,146	1,415
Burroughs	61½	58½	4.85	5.41	13	12	4.78	5.85	3,172	5,116
Control Data	22½	25⅞	NA	d.75	d	NA	d14.98	d14.56	3,500	3,500
Data General	34⅝	37⅜	.40	2.31	87	16	d.17	.92	1,237	1,237
Digital Equipment	85¾	93⅞	4.50	8.04	19	14	3.83	3.71	5,161	7,570
E.I. du Pont de Nemours	83¼	58¼	6.25	3.93	13	13	5.69	4.61	1,247	29,003
Eaton	66¼	51¼	6.75	7.60	10	7	6.52	7.01	1,951	3,682
E-Systems	35	32¼	2.20	1.47	16	15	2.20	1.47	825	1,023
Ford Aerospace & Communications			SUBSIDIARY						1,116	1,319
General Electric	81	61⅞	5.50	5.10	15	12	5.19	5.13	7,227	28,911
General Motors	77⅝	72	10.15	10.80	8	6	12.07	12.27	9,954	101,578
General Signal	47⅜	45⅞	3.45	3.84	14	11	1.52	1.72	1,280	1,707
Gould	21⅞	25⅛	NA	d3.37	d	15	d6.89	d3.94	1,378	1,378
GTE	54⅛	40¾	5.75	5.17	9	8	d.95	d.95	2,449	16,328
Harris	33¼	28⅜	1.44	2.20	23	13	1.46	2.00	2,216	2,216
Hewlett-Packard	41	35	2.00	2.13	20	17	1.87	1.91	6,672	6,672
Honeywell	75¾	61⅝	5.65	6.31	13	10	5.59	6.02	5,187	6,825
Intel	23	26	.14	.97	NA	NA	d.27	.01	1,320	1,320
IBM	146½	123¾	10.75	10.08	14	13	10.71	10.67	40,998	51,248
ITT	53⅜	32	4.00	3.20	14	12	1.84	1.89	6,602	22,007
Litton Industries	81	82¼	3.15	6.96	26	11	3.48	7.27	2,965	4,949
M/A-Com	17¼	19½	d.60	1.00	d	17	d.73	.92	835	835
Motorola	39⅞	34⅛	2.15	2.34	19	15	.63	.61	5,587	5,587
National Semiconductor	11¾	12	d1.73	.38	d	37	d1.73	.38	1,478	1,478
NCR	51⅜	30⅝	3.65	3.25	14	10	3.23	3.20	4,138	4,572
N.A. Philips	45	35	NA	4.53	19	9	2.35	2.82	4,517	4,754
Northern Telecom	29¾	36⅛	2.40	3.14	12	11	2.21	2.32	5,436	5,814
Penn Central	57⅜	53⅛	NA	4.24	25	12	2.27	4.25	1,407	2,491
Perkin-Elmer	27⅜	25½	1.75	1.96	16	14	1.69	1.80	968	1,290
Raytheon	63⅝	50	5.10	4.26	12	11	4.75	4.75	4,043	6,830
RCA	66½	47⅝	NA	3.71	14	11	NA	4.00	4,894	9,063
Rockwell International	44	37¼	4.35	3.99	10	10	3.92	4.00	3,646	12,154
Sanders	53¾	37	NA	1.92	50	19	NA	1.92	861	861
Schlumberger	34⅜	38⅝	1.55	3.86	22	10	.67	1.17	2,084	5,790
Singer	55⅞	36¾	4.10	3.56	14	10	4.30	3.27	1,301	2,490
Sperry	75¾	53	5.15	5.69	15	9	.82	.82	5,762	5,762
Tandy	38¼	35¾	2.50	2.13	15	16	2.52	2.11	3,035	3,035
Tektronix	59⅞	60½	2.50	4.41	24	14	3.03	4.41	NA	NA
Teledyne	336½	257⅜	24.00	46.62	14	5	41.57	46.66	1,382	3,254
Texas Instruments	119⅜	95⅝	3.50	6.37	34	16	3.50	d5.86	3,975	4,789
TRW	101¾	74⅞	8.00	7.23	13	11	.29	d.27	3,371	5,993
Varian Associates	25¾	29⅜	.48	1.51	54	16	.70	2.50	915	915
Wang Laboratories	15⅛	18	.35	.11	.43	NA	d.42	.11	2,642	2,642
Westinghouse Electric	53⅝	34⅜	4.10	3.21	13	11	3.66	3.52	3,668	11,116
Xerox	56⅛	52⅝	4.45	3.69	13	15	4.30	4.44	4,606	9,213
Zenith Electronics	24¾	19⅞	.25	1.65	99	8	d.87	d.33	1,626	1,626

A—Earnings per-share for the 12 months through June 30.
B—Price-earnings ratio for the 12 months through June 30.
C—Earnings per-share as actually reported for either fiscal 1986, or calendar 1985.

NA—Not Available.
-D—Deficit

(Reprinted from *Electronic News* — August 25, 1986)

LEADING ELECTRONICS COMPANIES BY RATIO

% Income Before Taxes to Sales*	
AT&T	14.75
NCR	13.04
General Electric	12.52
Tandy	12.37
Litton Industries	11.79
AMP	11.77
Hewlett-Packard	11.65
du Pont	10.84
Eaton	10.52
Perkin-Elmer	10.42
Northern Telecom	10.21
Schlumberger	10.08
Teledyne	9.69
Rockwell Int'l.	9.37
Raytheon	9.36
Tektronix	8.38
Penn Central	7.56
Westinghouse Electric	7.44
Burroughs	7.14
Sanders	6.76
Digital Equipment	6.44
Apple Computer	6.26
Avnet	6.07
General Motors	4.80
General Signal	4.45
Harris	4.38
Amdahl	4.15
Singer	3.86
National Semiconductor	2.90
Data General	2.84

% Net Income to Sales*	
AT&T	9.02
General Electric	8.26
Hewlett-Packard	7.52
NCR	7.30
Northern Telecom	7.07
Digital Equipment	6.68
Tandy	6.65
AMP	6.60
Litton Industries	6.52
Perkin-Elmer	6.30
Eaton	6.28
Tektronix	6.27
Raytheon	5.87
Schlumberger	5.74
Westinghouse Electric	5.66
Rockwell Int'l.	5.25
Burroughs	4.93
Penn Central	4.38
Sanders	4.19
General Motors	4.15
du Pont	3.79
Harris	3.52
Singer	3.41
Avnet	3.22
Apple Computer	3.19
Amdahl	2.83
General Signal	2.74
Data General	1.96
National Semiconductor	1.92
Motorola	1.32

% Net Income to Equity	
E-Systems	21.37
IBM	20.49
Rockwell Int'l.	20.19
Raytheon	19.49
Westinghouse Electric	18.71
Tandy	17.78
Northern Telecom	17.44
Eaton	16.55
General Electric	16.80
Singer	14.60
NCR	13.60
General Motors	13.54
Perkin-Elmer	13.26
Hewlett-Packard	12.28
Apple Computer	11.12
Honeywell	10.97
Xerox	10.84
AMP	10.83
AT&T	10.64
Sanders	10.58
Tektronix	10.55
Burroughs	9.96
Digital Equipment	9.81
Harris	9.26
du Pont	8.83
M/A-Com	8.47
Avnet	7.73
Varian	6.09
Penn Central	6.07
General Signal	5.45

Sales to Inventories†

General Motors	11.65
Apple Computer	11.49
TRW	11.40
Texas Instruments	11.00
Raytheon	10.08
Westinghouse Electric	9.64
Rockwell Int'l.	9.14
Eaton	8.20
National Semiconductor	8.00
du Pont	7.61
General Electric	7.16
Motorola	6.94
Gould	6.79
Tektronix	6.56
Hewlett-Packard	6.55
Penn Central	6.06
Singer	5.98
Northern Telecom	5.33
Zenith	4.89
Sanders	4.71
AMP	4.70
Varian	4.55
General Signal	4.22
Data General	4.04
Perkin-Elmer	3.79
Avnet	3.70
M/A-Com	3.32
Sperry	3.05

Debt to Equity

E-Systems	0.05
Raytheon	0.08
Northern Telecom	0.08
Harris	0.08
Hewlett-Packard	0.09
NCR	0.12
IBM	0.12
Tektronix	0.13
General Signal	0.14
Schlumberger	0.15
General Electric	0.15
Varian	0.15
Penn Central	0.15
Sanders	0.16
Westinghouse Electric	0.16
Digital Equipment	0.18
Avnet	0.18
AMP	0.19
General Motors	0.19
Intel	0.25
Rockwell Int'l.	0.26
Perkin-Elmer	0.27
Litton Industries	0.28
Texas Instruments	0.29
Honeywell	0.32
du Pont	0.32
Eaton	0.34
National Semiconductor	0.37
Sperry	0.38
Amdahl	0.39

FOOTNOTES:

*-Excluding companies with discontinued operations.

†-Excluding companies where sales include other income.

AAR Corp.

1111 Nicholas Boulevard
Elk Grove Village, Illinois 60007
(312) 439-3939

Officers: Ira A. Eichner, chairman of the board & chief executive officer; Barton J. Levin, president & chief operating officer; Ben C. Brostoff, v.p. & secretary; Robert A. Cameron, v.p.-operations and finance & treasurer; Jan van den Berg, v.p.-Europe; Joseph J. Dzurinko, v.p. & controller; A. Lee Hall v.p.-commercial & military aviation group; A.C. Richards, v.p.-industrial group.

Directors: Ira A. Eichner*, chairman; Robert C. Stuart*, Ben C. Brostoff*, Robert A. Cameron, Herbert K. Cummings, Lee B. Stern, Edward H. Perkins, Edgar D. Jannotta, Robert D. Judson*, Erwin E. Schulze*, Edward Donnell, Jan van den Berg, Barton J. Levin.

* Member of the Executive Committee.

Areas of Work: Engaged in the overhaul and certification of communications and navigation equipment (avionics), engines, engine parts, and airframe parts; design, manufacture and marketing of proprietary instrumentation; associated distribution of parts and accessories for general aviation, and flight instruction; and line and shop maintenance of engines, propellers, airframes, avionics and accessories. Also, lease financing of aircraft, aircraft engines, and other aviation products.

Subsidiaries:

AAR Aircraft Turbine Center, Inc.
Elk Grove, Illinois
(312) 439-3939

Energy Services Division
Garden City, New York
(516) 222-6400

AAR Technical Service Center Corp.
747 Zeckendorf Boulevard
Garden City, New York 11530
(516) 222-9000

Aviation Services Division
Garden City, New York
(516) 222-9000

AAR Oklahoma, Inc.
Will Rogers World Airport
P.O. Box 19508
Oklahoma City, Oklahoma 73119
(405) 681-2361

Allen Aircraft Hardware, Inc.
3309 N.W. 55th Street
Fort Lauderdale, Florida 33309
(305) 486-5040

Allen Aircraft Hardware Group
Elk Grove, Illinois
(312) 437-9300

Allen Aircraft International, Inc.
Maidenhead, Berks, England

Military Product Distribution
Garden City, New York
(516) 222-9000

Allen-Airmotive International, Inc.
705 Kruisweg
Hoofddorp, The Netherlands

Avia Radio A/S
Hangar 141
Copenhagen Airport
2791 Dragoer, Denmark

AAR Del Monte, Inc.
Monterey Peninsula Airport
P.O. Box 1311
Monterey, California 93940
(408) 373-4151

Mars Aircraft Radio Service Company of New Jersey
Hangar 3
Teterboro Airport
Teterboro, New Jersey 07508
(201) 288-0222

Technisch Handelskantoor Lloyd, B.V.
Kruisweg 703
Hoofddoorp, The Netherlands

AAR Western Skyways, Inc.
Portland-Troutdale Airport
Troutdale, Oregon 97060
(503) 665-1181

AAR Aviation Supply
Troutdale, Oregon
(503) 665-1181

Allen-Airmotive International (France) S.A.R.L.
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78160 Marly le Roni
Paris, France

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200 Saw Mill River Road
Hawthorne, New York 10532
(914) 747-0500

Abscoa Industries, Inc.
3160 West El Segundo Boulevard
Hawthorne, California 90250
(213) 970-0886

Jet International Corp.
3330 Dundee Road, Suite C-3
Northbrook, Illinois 60062
(312) 480-9440

Brooks & Perkins/Advanced Structures
12633 Inkster Road
Livonia, Michigan 48150
(313) 539-2000

Brooks & Perkins/Brownline
2950 Lomita Boulevard
Torrance, California 90509
(213) 539-0320

Brooks & Perkins/Skydyne
River Road
Port Jervis, New York 12771
(914) 856-6655

Brooks & Perkins Handling Technologies
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Anderson & Taylor Streets
Aberdeen, North Carolina 28315
(919) 944-2167

Brooks & Perkins/Cadillac Manufacturing
201 Haynes Boulevard
Cadillac, Michigan 49601
(616) 775-8715

Brooks & Perkins/Aeronetics
2100 Touly Avenue
Elk Grove, Illinois 60007
(312) 437-9300

AAR Pacific Pte. Ltd.
Building 550
West Camp
Seletar Airport
Singapore 2879

AAR Circamet Coating Technology, Inc.
Frankfort, New York
(315) 724-6113

AAR Financial Services Corp.
Elk Grove Village, Illinois
(312) 439-3939

AAR Agio, A.G.
Zug, Switzerland

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AIR

Number of Employees:

1985	1,500	1982	1,460
1984	1,391	1981	932
1983	1,320		

Plant Footage:

1985	2,000,000 sq. ft.	1982	1,800,000
1984	2,000,000	1981	1,800,000
1983	1,800,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 218,946,000	$ 9,071,000
1984	177,762,000	4,487,000
1983	155,006,000	2,795,000
1982	175,924,000	1,225,000
1981	132,482,000	3,606,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	6,025,000	$ 1.51
1984	4,603,000	0.97
1983	3,920,000	0.71
1982	3,716,000	0.33
1981	2,486,000	1.45

‡ Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Commercial & military aviation	$ 166,181,000	$ 127,794,000
Energy & industry	21,927,000	22,266,000
Business & private aviation	30,838,000	27,702,000
Total	$ 218,946,000	$ 177,762,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.48	—	—
1984	0.44	—	—
1983	0.44	—	—
1982	0.44	—	—
1981	0.41	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 87,385,000	$ 14.50
1984	81,085,000	17.62
1983	43,225,000	11.03
1982	42,423,000	11.42
1981	29,398,000	11.83

‡ Based on the average number of shares outstanding.

Income Account *

Year ended May 31	1985	1984
Net sales	$ 218,946,000	$ 177,762,000
Cost of sales	169,779,000	139,011,000
Expenses	32,289,000	27,828,000
Interest expense	1,707,000	2,646,000
Marketable securities	—	890,000
Income before taxes	$ 15,171,000	$ 7,387,000
Income taxes	6,100,000	2,900,000
Net Income	$ 9,071,000	$ 4,487,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,520,000 in 1985 and $4,285,000 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 2,227,000	$ 1,203,000
Marketable securities	2,778,000	7,831,000
Accts. receiv., net	42,945,000	34,951,000
Refund inc. taxes	—	250,000
*Inventories	48,532,000	41,764,000
Prepaid expenses	5,972,000	6,527,000

AAR Corp.

Current Assets	$ 102,454,000	$ 92,526,000
#Fixed assets	34,466,000	33,648,000
Other assets	18,485,000	11,054,000
Total Assets	$ 155,405,000	$ 137,228,000

Liabilities

Notes payable	$ 11,797,000	$ 1,466,000
Long-term debt, curr.	1,140,000	1,312,000
Accts. payable	19,875,000	21,960,000
Accruals	10,303,000	9,999,000
Income taxes	2,390,000	1,966,000
Curr. Liabilities	$ 45,505,000	$ 36,703,000
Long-term debt:		
Due to banks & others	16,415,000	13,040,000
Deferred inc. taxes	6,100,000	6,400,000
+Common stock	6,056,000	6,049,000
Add. paid-in capital	57,014,000	56,914,000
Retained earnings	25,208,000	19,030,000
Cum. trans. adjust.	(774,000)	(643,000)
Treasury stock	(119,000)	(265,000)
Total Liabilities & Shareholders' Equity	$ 155,405,000	$ 137,228,000

* At lower of cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales	6.93	4.16
%Net Income to Sales	4.14	2.52
%Net Income to Equity	10.38	5.53
Sales to Inventories	4.51	4.26
Debt to Equity	0.34	0.20
Working Capital	$56,949,000	$55,823,000
Current Ratio	2.25	2.52
Shareholders' Equity	$87,385,000	$81,085,000

AccuRay Corporation

(formerly Industrial Nucleonics Corporation)

650 Ackerman Road
Columbus, Ohio 43202
(614) 261-2000

Officers: David L. Nelson, president; Christopher J. Campbell, exec. v.p.; William L. Adams, John E. DeWitt, Herbert J. Kahn, sr. v.p.'s; Robert E. Swenson, sr. v.p.- finance; Maxwell L. Close, Donald D. Danison, John E. Eickelberg, David J. Foster, Dennis A. Orwig, Douglas J. Spence, John C. Witherspoon, v.p.'s; Ladd R. Grapski, controller, Robert F. Zust, treasurer; Vincent J. Mahoney, dir.-European finance; Ronald F. Shuff, secretary and general counsel; Hans K. Morck, dir.-treasury & development-Europe.

Directors: Edward McC. Blair, Christopher J. Campbell, Donald D. Glower, William M. McLaughlin, David L. Morrison, David L. Nelson, George F. Schlaudecker, Robert E. Swenson, J. Laurence Kulp.

Areas of Work: Manufactures process control systems for the pulp and paper, wood, tobacco, metals, and plastics markets. AccuRay systems are designed to minimize quality variation and to increase production.

Divisions and Subsidiaries:

AccuRay Argentina
Av. Santa Fe 1780
Oficina 907/8
1060 Buenos Aires, Argentina

AccuRay Australia Pty. Ltd.
Suite 1, Forum Centre
522/24 Kingsway
Miranda, NSW 2228

AccuRay International
Genevestraat 10
1140 Brussels, Belgium

AccuRay of Canada Ltd.
3525 Ashby
St. Laurent
Quebec, Canada H4R 2C1

AccuRay Finland Oy
Salomonkatu 17 A 12
00100 Helsinki 10
Finland

AccuRay France S.A.R.L.
8 Rue Auguste-Renoir
78400 Chatou, France

AccuRay Deutschland GmbH
Holzgasse 29-33
52 Siegburg
West Germany

AccuRay Limited
Finnabair Industrial Park
Dundalk, County Louth
Ireland

AccuRay Italia S.r.l.
Via A. Volta 16
20093 Cologno Monzese (Milan)
Italy

AccuRay Mexico S.A. de C.V.
Avenida de las Palmas 731-704
Piso 7
Lomas de Chapultepec
Mexico 10 D.F., Mexico

AccuRay Australia Pty. Ltd.
65 Marguerita Street
P.O. Box 1643
Rotorua, New Zealand

AccuRay Singapore
55 Ayer Rajah Crescent #07-17/19
Ayer Rajah Industrial Estate
Singapore 0513

AccuRay S.A. (Pty.) Ltd.
7th Floor
Standard Bank Building Arcade
4th Street
Springs, South Africa

AccuRay Espana, S.A.
Calle Milanesado 21-23
Barcelona 17, Spain

AccuRay Scandinavia A.B.
Bergshojden 32
Box 7102
S-17207 Sundbyberg, Sweden

AccuRay South Korea
Room 1105, Lions Building
50-6 Chung Moo Ro 2KA
Chung-ku, Seoul
South Korea

AccuRay (U.K.) Limited
AccuRay House
Coronation Road
High Wycombe, Buckinghamshire HP12 3TA
England

U.S. Offices:
Mobile, Alabama
Suffield, Connecticut
Portland, Oregon
Greenville, South Carolina
Appleton, Wisconsin

Transfer Agent(s):

AmeriTrust Company
Corporate Trust Division
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ACRA (NASDAQ)

Number of Employees:

1985	1,982	1982	1,790
1984	1,840	1981	1,845
1983	1,770		

Plant Footage:

1985	490,000 sq. ft.	1982	490,000
1984	490,000	1981	490,000
1983	490,000		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 82,742,000	$ 7,953,000
1984	63,902,000	6,787,000
1983	56,204,000	5,255,000
1982	50,017,000	3,833,000
1981	51,027,000	3,170,000

	No. of Com. Shares	Earn. per Share #
1985	4,216,328	$ 1.90
1984	4,159,281	1.64
1983	4,138,968	1.31
1982	3,559,486	1.08
1981	3,542,396	0.90

‡ Including revenues from sales and rentals.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.24	—	—
1984	0.20	—	—
1983	0.16	—	—
1982	0.14	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 53,603,000	$ 12.71
1984	45,809,000	11.01
1983	40,003,000	9.66
1982	25,668,000	7.21
1981	22,254,000	6.45

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 82,742	$ 63,902
Other income	67,641	61,945
Total income	$ 150,383	$ 125,847
Cost of sales	96,371	79,403
Expenses	45,936	38,655
Interest expense	1,047	743
Other gains	(1,924)	(468)
Income before taxes	$ 8,953	$ 7,514
Income taxes	1,000	727
Net Income	$ 7,953	$ 6,787

* Included in Costs and Expenses, Depreciation and Amortization: $2,949,000 in 1985 and $2,717,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 11,347	$ 9,300
Accts. receiv.	39,683	35,975
*Inventories	35,897	28,660
Prepaid expenses	2,980	4,365
Current Assets	$ 89,907	$ 78,300
#Lease/rental agmts.	2,819	4,557
#Fixed assets	20,281	16,136
Other assets	1,625	1,783
Total Assets	$ 114,632	$ 100,776

Liabilities
(000's)

Long-term debt, curr.	$ 2,002	$ 1,314
Accts. payable	10,347	8,055
Accruals	18,406	16,520
Income taxes	492	848
Curr. Liabilities	$ 31,247	$ 26,737
Long-term debt	11,352	9,082

Conv. subord. 5½% debent.	9,600	10,500
Deferred income	5,911	5,145
Deferred inc. taxes	2,919	3,503
+ Common stock	4,358	4,310
Add. paid-in capital	14,109	13,526
Retained earnings	36,272	29,181
Treasury stock	(1,136)	(1,208)
Total Liabilities & Shareholders' Equity	$ 114,632	$ 100,776

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Total Income	5.95	5.97
%Net Income to Total Income	5.29	5.39
%Net Income to Equity	14.84	14.82
Debt to Equity	0.25	0.23
Working Capital	$58,660,000	$51,563,000
Current Ratio	2.88	2.93
Shareholders' Equity	$53,603,000	$45,809,000

Acme Electric Corporation

Security Norstar Bank Building
260 N. Union Street
Olean, New York 14760
(716) 373-3050

Officers: Kirk E. Hampton, chairman of the board; James W. McLaughlin, president & chief exec. officer; Joseph Pinker, v.p. & gen. mgr.-Engineered Products Div.; J. Thomas Odell, v.p.; Thomas G. Long, v.p. & Gen. Mgr.-Acme Transformer Division; Thomas P. Sullivan, president-Standard Power, Inc.; Dale G. Guilford, Div. Mgr.-Beehive Division; Daniel K. Corwin, v.p. & controller; David G. Anderson, secretary, treasurer & general counsel.

Directors: K.E. Hampton*, chairman; R. Hartley Bond, W. Bennett Conner, G. Wayne Hawk*, J.W. McLaughlin*, Henry H. Coords, H. Craig Casey, Jr.

* Member of the Executive Committee.

Areas of Work: Dry type power distribution transformers, regulated D.C. power supplies, constant voltage transformers, static power rectifiers, motor starting reactors and reactor packs, machine tool control transformers, stepdown and tapped winding transformers, voltage adjusting transformers, saturable reactors, magnetic amplifier power controls, military type power supplies, power line regulators, special purpose transformers, frequency control equipment, automotive battery chargers, communication power supplies and magnetic components power supplies for electrostatic applications, specification line transformers.

Divisions and Subsidiaries:

Standard Power, Inc.
1400 S. Village Way
Santa Ana, California 92705
(714) 558-8512
Manufactures power conversion equipment.

Engineered Products Division
Cuba & Allegany, New York
Manufactures consumer battery chargers.

Acme Transformer Division
Lumberton, North Carolina
Manufactures transformers.

Beehive Division
Salt Lake City, Utah
Produces custom magnetics.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: ACE

Sales and Earnings

	Net Sales	Net Income
1985	$ 75,849,000	$ 2,651,000
1984	67,273,000	2,260,000
1983	50,983,000	126,000
1982	63,183,000	2,386,000
1981	53,537,000	3,054,000

	No. of Com. Shares #	Earn per Share #
1985	3,792,494	$ 0.70
1984	3,766,811	0.60
1983	3,775,012	0.03
1982	3,792,861	0.63
1981	3,765,409	0.81

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.32	5%	—
1984	0.30	10%	—
1983	0.28	5%	—
1982	0.26	5%	—
1981	0.22	5%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 21,808,000	$ 5.75
1984	20,095,000	5.34
1983	18,801,000	5.02
1982	20,030,000	5.28
1981	18,618,000	4.91

# Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 75,849,000	$ 67,273,000
Cost of sales	55,469,000	49,861,000
Expenses:		
Res. & engr.	4,591,000	4,101,000
Sell. & admin.	10,183,000	8,557,000
Interest expense	714,000	604,000
Income before taxes	$ 4,892,000	$ 4,150,000
Income taxes	2,241,000	1,890,000
Net Income	$ 2,651,000	$ 2,260,000

* Included in Costs and Expenses, Depreciation: $1,303,000 in 1985 and $1,220,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 494,000	$ 649,000
Short-term investments	—	739,000
Accts. receiv., net	12,378,000	9,650,000
*Inventories	12,885,000	12,017,000
Other curr. assets	403,000	455,000
Current Assets	$ 26,160,000	$ 23,510,000
#Fixed assets	9,984,000	9,726,000
Total Assets	$ 36,144,000	$ 33,236,000

Liabilities

Long-term debt, curr.	$ 604,000	$ 576,000
Notes payable	1,700,000	—
Accts. payable	3,321,000	3,377,000
Accrued comp. & other	1,644,000	1,992,000
Curr. Liabilities	$ 7,269,000	$ 5,945,000
Long-term debt	6,214,000	6,630,000
Deferred inc. taxes	853,000	566,000
+ Common stock	3,806,000	3,802,000
Add. paid-in capital	11,537,000	10,658,000
Retained earnings	6,532,000	6,642,000
Treasury stock	(67,000)	(1,007,000)
Total Liabilities & Shareholders' Equity	$ 36,144,000	$ 33,236,000

* At lower of current cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.45	6.29
%Net Income to Sales	3.50	3.42
%Net Income to Equity	12.16	11.25
Sales to Inventories	5.89	5.49
Debt to Equity	0.39	0.36
Working Capital	$18,891,000	$17,565,000
Current Ratio	3.60	3.95
Shareholders' Equity	$21,808,000	$20,095,000

ADAC Laboratories

4747 Hellyer Avenue
San Jose, California 95138
(408) 365-2000

Officers: Q. T. Wiles, chairman of the board & chief executive officer; John M. Burgess, exec. v.p.; Walter E. Derrington, v.p. & chief financial officer; Robert L. Deinhammer, v.p.; Susanne M. Olin, v.p.

Directors: Q. T. Wiles, chairman; William R. Hambrecht, Thomas S. Volpe, Samuel H. Esterkyn, Michael O. Prelotz.

Areas of Work: The Corporation designs and manufactures digital radiography image processing systems which utilize digital images as opposed to the conventional film used in radiology. The system processor is a computer controlled image processing system with real-time image manipulation hardware, digital data storage via magnetic disc drives, an analog video disc recorder and interface electronics for connection to X-Ray fluoroscopy systems. ADAC is also involved in the design and manufacture of nuclear medicine image processing systems which accept images from the scintillation cameras used in nuclear medicine, convert them to digital form and store them for further analysis.

Other products include radiation therapy planning systems which develop precise radiation dosemetry plans for individual cancer patients using display terminals; X-Ray products, and research and development.

Divisions and Subsidiaries:

Digital Radiography Computer Systems Division
Nuclear Medicine Division
Radiation Therapy Division
Field Service Division
International Division
X-Ray Systems Division
Radiology Management Systems Division
Advanced Marketing and Technology Division

Mid-Continent Computer Services, Inc.
Manufactures radiology information systems.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
50 California Street
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADAC (NASDAQ)

Number of Employees:

1985	460	1982	665
1984	750	1981	443
1983	1,010		

Plant Footage:

1985	175,000 sq. ft.	1982	N.A.
1984	350,000	1981	130,000
1983	350,000		

N.A. - Not Available.

ADAC Laboratories

Sales and Earnings

	Net Sales	Net Income
1985	$ 56,979,000	$ (29,806,000)
1984	59,259,000	(33,139,000)
1983	73,109,000	4,805,000
1982	52,800,000	4,846,000
1981	22,943,000	220,000

	No. of Com. Shares #	Earn. per Share #
1985	9,550,000	$ —
1984	9,436,000	—
1983	9,402,000	0.51
1982	7,917,000	0.61
1981	6,521,000	0.03

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 12,165,000	$ 1.27
1984	21,103,000	2.24
1983	53,867,000	5.73
1982	29,078,000	3.67
1981	15,096,000	2.31

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 56,979	$ 59,259
Cost of sales	49,128	52,813
Expenses	29,122	41,461
Loss on write-down of assets	2,515	—
Prov. for loss on invest.	2,481	—
Interest expense	4,361	2,803
Interest income	(822)	(1,354)
Loss on market. secur.	—	293
Loss before taxes	$ (29,806)	$ (36,757)
Tax credit	—	(3,618)
Net Loss	$ (29,806)	$ (33,139)

* Included in Costs and Expenses, Depreciation and Amortization: $4,485,000 in 1985 and $4,283,000 in 1984.

Assets
(000's)

As at Sept. 30	1985	1984
Cash	$ 3,280	$ 1,182
Accts. receiv., net	12,937	22,999
*Inventories	17,318	31,071
Prepaid expenses	512	364
Current Assets	$ 34,047	$ 55,616
#Fixed assets	12,564	17,833
Tax benefits lease trans.	—	2,423
Total Assets	$ 46,611	$ 75,872

Liabilities
(000's)

Notes payable	$ 11,297	$ 10,564
Long-term debt, curr.	4,487	2,474
Accts. payable	4,301	12,680
Accrued payroll	1,664	2,024
Deferred serv. rev.	2,174	3,013
Other accrued liab.	3,170	4,240
Curr. Liabilities	$ 27,093	$ 34,995
Long-term debt	7,353	19,774
Deferred taxes	20,396	—
+ Common stock	43,563	43,091
Retained earn. (deficit)	(51,794)	(21,988)
Total Liabilities & Shareholders' Equity	$ 46,611	$ 75,872

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	3.29	1.91
Debt to Equity	1.90	1.55
Working Capital	$ 6,954,000	$20,621,000
Current Ratio	1.26	1.59
Shareholders' Equity	$12,165,000	$21,103,000

Adage, Inc.

(46.4% owned by American Research and Development Division of Textron Inc.)

One Fortune Drive
Billerica, Massachusetts 01821
(617) 667-7070

Officers: Richard N. Spann, president & chief executive officer; John P. Cunningham, exec. v.p. & treasurer; Ross A. Belson, exec. v.p.; Brijeshwari Presod, executive vice president; Frederick E. Shirk, Seymour Yalen, Richard D. Fiorentino, James H. Hardie, Robert M. Daly, George S. Drewett, B. Edwards Fitzgibbons, v.p.'s; Andrew E. Taylor, Jr., clerk.

Directors: Harlan E. Anderson, Ross A. Belson, Charles J. Coulter, Jr., Allan S. Gordon, William B. Mitchell, William Wolfson, Richard N. Spann, Michael J. Wozny.

Areas of Work: Manufactures, develops and sells interactive computer graphics systems and subsystems, primarily for use in problem solving through interaction with computer generated graphics displays.

Subsidiaries:

Adage S.r.l.
Milan, Italy
331/456024

Adage GmbH
Wiesbaden, West Germany
6121/700034

Adage Ltd.
Wakefield, England
924-367121

Acquisition(s):

Lexidata Corporation
Manufacturer of graphics display systems.

Lexidata GmbH
Munich, West Germany

Lexidata Ltd.
Hook, England

Lexidata SARL
Paris, France

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADGE (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1986	$ 24,788,000	$ (5,394,000)
1985	33,840,000	1,549,000
1984	42,458,000	4,334,000
1983	31,250,000	3,087,000
1982	22,946,316	1,871,988

	No. of Com. Shares ‡	Earn. per Share #
1986	7,433,215	$ —
1985	4,713,814	0.33
1984	4,661,588	0.92
1983	4,588,980	0.83
1982	3,114,780	0.64

(Loss)
‡ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and special class common stock outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	—	2-for-1
1983	—	—	—
1982	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 50,517,000	$ 6.80
1985	43,846,000	9.30
1984	42,122,000	9.04
1983	37,333,000	8.14
1982	12,022,705	3.86

‡ Adjusted to reflect stock split.

Income Account *

Year ended	3/29/86	3/30/85
Net sales	$ 24,788,000	$ 33,840,000
Service contracts	12,262,000	8,834,000
Total operating revenues	$ 37,050,000	$ 42,674,000
Cost of sales	26,020,000	25,210,000
Inventory writedown	3,500,000	—
Expenses	16,705,000	16,179,000
Interest expense	349,000	339,000
Interest income	(552,000)	(1,399,000)
Other expenses (income)	(19,000)	133,000
Prov. for consol. of oper.	1,200,000	—
Income (loss) bef. taxes	$ (10,152,000)	$ 2,212,000
Income taxes (credit)	(4,758,000)	663,000
Net Income (Loss)	$ (5,394,000)	$ 1,549,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,790,000 in 1986 and $2,466,000 in 1985.

Assets

As of	3/29/86	3/30/85
Cash & term deposits	$ 3,034,000	$ 11,552,000
Accts. receiv., net	13,287,000	10,889,000
*Inventories	24,100,000	16,324,000
Prepaid expenses	5,148,000	1,154,000
Current Assets	$ 45,569,000	$ 39,919,000
#Fixed assets	16,620,000	9,402,000
Other assets	6,764,000	6,950,000
Total Assets	$ 68,953,000	$ 56,271,000

Liabilities

Notes payable	$ 1,000,000	$ —
Conv. subord. debentures	1,054,000	—
Cap. lease oblig., curr.	1,110,000	483,000
Accts. payable	6,219,000	3,986,000
Accrued empl. compens.	1,988,000	1,649,000
Inc. taxes pay.	—	1,417,000
Other current liabilities	2,959,000	612,000
Curr. Liabilities	$ 14,330,000	$ 8,147,000
Cap. lease oblig.	2,694,000	1,713,000

Debentures 7½%	—	1,254,000
Deferred inc. taxes	607,000	456,000
Deferred inc. tax credits	805,000	855,000
+Common stock	743,000	471,000
Add. paid-in capital	43,008,000	30,809,000
Retained earnings	7,346,000	12,740,000
Cumulative trans. adj.	132,000	(174,000)
Deferred compensation	(712,000)	—
Total Liabilities & Shareholders' Equity	$ 68,953,000	$ 56,271,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	5.18
%Net Income to Revenues	—	3.63
%Net Income to Equity	—	3.53
Debt to Equity	0.10	0.05
Working Capital	$31,239,000	$31,772,000
Current Ratio	3.18	4.90
Shareholders' Equity	$50,517,000	$43,846,000

Adams-Russell Co., Inc.

1380 Main Street
Waltham, Massachusetts 02154
(617) 894-8540

Officers: Gerald J. Adams, chairman of the board; John J. Lynch, president & chief executive officer. David J. McLachlan, v.p.-finance & secretary; Joseph S. Batal, v.p.-human resources; James Connolly, group v.p.-Electronics & Instruments; William C. Henchy, v.p.; Trevor Lambert, v.p.-corporate development; Harold H. Leach, group v.p.-Aerospace Products; John Brockiman, v.p.-cable services; Donald G. Warner, controller; Kennett F. Burnes, clerk.

Directors: Gerald J. Adams, George B. Foote, Jeptha H. Wade, Jr., John J. Lynch, John G. Mulvany, George H. Gage.

Areas of Work: Designs and manufactures microwave products and digital systems. Owns and operates CATV systems and manufactures automated advertising insertion equipment for the cable television industry.

Divisions and Subsidiaries:

Electronic Products

Radio-microwave components for signal processing distribution and electronic intelligence collection, radar and aerospace electronics; antennas, waveguide and coaxial cable assemblies; fabrication of electronic packaging, digital signal processing systems, surveillance receivers and instrumentation.

Anzac Division
80 Cambridge Street
Burlington, Massachusetts 02154
(617) 273-3333

448 Griffin Road
Bangor, Maine 04401
(207) 942-7391

Antenna and Microwave Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-5210

Brazonics Division
Haverhill Road
Amesbury, Massachusetts 01913
(617) 388-2280

Micro-Tel Division
10713 Gilroy Road
Hunt Valley, Maryland 21030
(301) 667-0077

Microwave Products Division
9533 Irondale Avenue
Chatsworth, California 91311
(213) 882-3434

Communication Programs Division
1370 Main St.,
Waltham, Massachusetts 02154
(617) 891-4700

Adams-Russell BV
Cork, Ireland

Semiconductor Center
Burlington, Massachusetts

Cable Services

Operates cable TV services in Maine, New York, Massachusetts, Arkansas and Missouri, reaching 146,900 cable TV subscribers; manufactures cable television advertising insertion equipment.

Cable Services Division
280 Bear Hill Road
Waltham, Massachusetts 02154
(617) 890-8850

Video Information Systems Division
1370 Main Street
Waltham, Massachusetts 02154
(617) 894-8540

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02110

Stock Exchange(s): American

Ticker Symbol: AAR

Number of Employees:

1985	N.A.	1983	1,350
1984	1,439	1982	1,350

Plant Footage:

1985	N.A.	1982	393,840
1984	402,340 sq. ft.	1981	279,000
1983	391,540		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 128,987,000	$ 9,436,000
1984	109,663,000	7,820,000
1983	91,883,000	9,780,000
1982	71,859,000	6,004,000
1981	55,700,000	5,108,000

	No. of Com. Shares #	Earn per Share #
1985	6,216,000	$ 1.52
1984	6,116,000	1.28
1983	6,085,000	1.61
1982	5,978,000	1.00
1981	5,932,000	0.86

+ Of continuing operations only.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1985	1984
Electronic products	$ 87,795,000	$ 76,476,000
Cable services	41,392,000	33,187,000
Total	$ 128,987,002	$ 109,663,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.14	—	—
1984	0.10	—	—
1983	0.10	—	—
1982	0.094	50%	—
1981	0.067	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 62,568,000	$10.07
1984	52,994,000	8.66
1983	44,744,000	7.42
1982	34,862,000	5.83
1981	28,883,000	4.87

‡ Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 128,987,000	$ 109,663,000
Cost of sales	76,456,000	64,912,000
Expenses	33,894,000	29,230,000
Interest expense	4,537,000	4,603,000
Interest & other inc.	(777,000)	(195,000)
Income before taxes	14,877,000	11,113,000
Income taxes	5,441,000	3,293,000
Net Income	$ 9,436,000	$ 7,820,000

*Included in Costs and Expenses, Depreciation and Amortization: $11,212,000 in 1985 and $8,906,000 in 1984.

Assets

As of Sept 30	1985	1984
Cash	$ 4,904,000	$ 1,986,000
Receiv., net	21,269,000	17,661,000
Long-term contr. not yet billed	4,140,000	1,679,000
*Inventories	20,242,000	12,296,000
Notes receivable	141,000	233,000
Prepaid & other expenses	1,506,000	1,400,000
Current Assets	$ 52,202,000	$ 35,228,000
#Fixed assets	85,027,000	81,826,000
Other assets	5,844,000	6,319,000
Total Assets	$ 143,073,000	$ 123,373,000

Liabilities

Notes payable	$ 1,484,000	$ 2,707,000
Accts. Payable	4,789,000	3,006,000
Accruals	13,209,000	12,124,000
Curr. Liabilities	$ 19,482,000	$ 17,837,000
Deferred inc. taxes	13,670,000	10,170,000
Notes payable	46,984,000	42,003,000
Accrued deferred comp.	369,000	369,000
+Common stock	3,165,000	3,139,000
Add. paid-in capital	10,244,000	8,973,000
Retained earnings	50,327,000	41,941,000
Treas. stock	(1,168,000)	(1,059,000)
Total Liabilities & Shareholders' Equity	$ 143,073,000	$ 123,373,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.53	10.13
%Net Income to Sales	7.32	7.13
%Net Income to Equity	15.08	14.76
Sales to Inventories	6.37	8.94
Debt to Equity	0.75	0.84
Working Capital	$32,720,000	$17,391,000
Current Ratio	2.68	1.97
Shareholders' Equity	$62,568,000	$52,994,000

ADC Telecommunications, Inc.

5501 Green Valley Drive
Bloomington, Minnesota 55437
(612) 835-6800

Officers: C.M. Denny, Jr., chairman of the board & chief exec. officer; F.R. Boswell, president & chief operating officer; R.C. Wagner, sr. v.p.-operations; C.R. Bigham, v.p.-information services; L.J. Davis, v.p.-mfg.; W.c. Hamer, v.p. & chief technical officer; D.A. Leese, v.p.-marketing & sales; R.G. Martin, v.p.-quality assurance; D.H. Moersch, v.p.-human resources; I.J. Morgan, v.p.-finance; W.R. Franta, treasurer; M.B. Hasselquist, secretary.

Directors: Charles M. Denny, Jr., chairman; Lennie L. Arnevik, Fredric R. Boswell, Frank A. Donaldson, Maynard B. Hasselquist, Thomas E. Holloran, Charles W. Oswald, Warde F. Wheaton.

Areas of Work: Designs, manufactures and markets, under the ADC trademark, electromechanical and electronic products for the telecommunications industry. The Company's products serve a broad range of access, termination, transmission, telephone test and data network management functions employing either analog or digital technologies.

Subsidiary:

ADC Fiber Optics Corporation
8 Walk-up Drive
Westborough, Massachusetts

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADCT (NASDAQ)

Number of Employees:

1985	1,729

Plant Footage:

1985	161,500 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 124,883,000	$ 7,871,000
1984	87,595,000	3,700,000
1983	76,342,000	361,000
1982	62,155,000	4,464,000
1981	46,524,000	3,542,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	5,728,973	$ 1.37
1984	5,732,037	0.65
1983	5,710,645	0.06
1982	5,704,674	0.78
1981	5,704,674	0.62

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	3-for-2
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 48,108,000	$ 8.40
1984	40,368,000	7.04
1983	36,509,000	6.39
1982	35,664,000	6.25
1981	31,200,000	5.47

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Net sales	$ 124,883	$ 87,595
Cost of sales	69,515	51,456
Expenses	40,754	28,930
Interest expense	1,503	1,235
Interest income	(307)	(189)
Write-down of assets	—	1,500
Other expenses	514	197
income before taxes	$ 12,904	$ 4,466
Income taxes	5,033	1,223
Income - cont. oper.	$ 7,871	$ 3,243
Income - discont. oper.	—	457
Net Income	$ 7,871	$ 3,700

* Included in Costs and Expenses, Depreciation and Amortization: $6,164,000 in 1985 and $5,291,000 in 1984.

Assets
(000's)

As of Oct. 31	1985	1984
Cash	$ 10,039	$ 1,227
Accts. receiv., net	17,123	16,463
*Inventories	21,021	20,447
Prepaid expenses	2,200	2,520
Current Assets	$ 50,383	$ 40,657
#Fixed assets	24,924	23,386
Other assets	1,908	2,244
Total Assets	$ 77,215	$ 66,287

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 217	$ 1,175
Accts. payable	5,643	3,855
Accrued payroll	5,700	3,488
Other accruals	4,651	2,422
Curr. Liabilities	$ 16,211	$ 10,940
Long-term debt	10,612	12,673
Deferred inc. taxes	2,284	2,306
+ Common stock	1,146	1,148
Add. paid-in capital	18,734	18,863
Retained earnings	28,228	20,357
Total Liabilities & Shareholders' Equity	$ 77,215	$ 66,287

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.33	—
%Net Income to Sales	6.30	—
%Net Income to Equity	16.36	9.17
Sales to Inventories	5.94	4.28
Debt to Equity	0.23	0.34
Working Capital	$34,172,000	$29,717,000
Current Ratio	3.11	3.72
Shareholders' Equity	$48,108,000	$40,368,000

Addmaster Corporation

416 Junipero Serra Drive
San Gabriel, California 91776
(818) 358-2395

Officers: John G. Clary, president, chief exec. officer & treasurer; Milton V. Scozzafava, Larry K. Wirtz, Harland W. Gerds, v.p.'s; Hugh Clary, secretary & asst. treasurer; Jennie H. Slingmeyer, asst. sec.

Directors: John G. Clary, Arthur J. Damschen, Jr., Harland W. Gerds, Patricia Jean Clarke, John Clary.

Areas of Work: Manufactures and markets electric adding machines, calculators, and electronic terminals (with software) for use in the banking industry and at point-of-sale in retail stores.

Subsidiaries:

Addmaster Systems, Inc.
Addmaster Export Corporation

Both at:

416 Junipero Serra Drive
San Gabriel, California 91776

Clary Ltd.
12-14 Lower Addiscombe Road
Croydon, Surrey CR96AG
London, England

Transfer Agent(s):

U.S. Stock Transfer
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ADDC (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income†
1985	$ 4,341,000	$ 588,066
1984	4,703,000	(1,215,729)
1983	5,738,000	(136,108)
1982	4,636,000	(1,589,407)
1981	5,284,000	(1,009,933)

	No. of Com. Shares	Earn. per Share ‡†
1985	1,334,920	$ 0.44
1984	1,329,720	—
1983	1,334,920	—
1982	1,329,720	—
1981	1,331,920	—

(Loss)
+ Includes other income.
‡ Based on the average number of shares outstanding.
† Including extraordinary gain of $314,000 ($0.24 per share) in 1985.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,325,127	$ 0.99
1984	764,443	0.57
1983	2,054,166	1.54
1982	2,251,464	1.69
1981	3,843,099	2.89

Income Account *

Year ended May 31	1985	1984
Net sales & other income	$ 2,881,647	$ 4,702,811
Gain on sale of bldg.	1,459,000	—
Total Revenues	$ 4,340,647	$ 4,702,811
Cost of sales	1,981,693	3,579,235
Expenses	1,361,747	2,042,744
Interest expense	125,141	296,561
Loss on discont. line	284,000	—
Inc. (loss) bef. taxes	$ 588,066	$ (1,215,729)
Income taxes	314,000	—
Net Income (Loss)	$ 274,066	$ (1,215,729)
Extraord. gain	314,000	—
Net Income (Loss) & extraord. gain	$ 588,066	$ (1,215,729)

* Included in Costs and Expenses, Depreciation: $88,228 in 1985 and $102,562 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 134,176	$ 221,044
Accts. receiv., net	368,125	658,278
*Inventories	1,332,289	1,476,829
Prepaid expenses	8,389	10,519

Current Assets	$ 1,842,979	$ 2,366,670
#Fixed assets	428,319	1,078,376
Other assets	36,645	75,021
Total Assets	$ 2,307,943	$ 3,520,067

Liabilities

Notes payable	$ 350,000	$ 200,000
Long-term debt, curr	55,652	69,050
Accts. payable	286,396	664,914
Accruals	76,432	101,224
Other liabilities	91,142	78,280
Curr. Liabilities	$ 859,622	$ 1,113,468
Long-term debt	123,194	1,642,156
+ Common stock	133,492	133,492
Add. paid-in capital	442,523	442,523
Retained earnings	911,678	323,612
For. curr. trans. adjust.	(162,566)	(135,184)
Total Liabilities & Shareholders' Equity	$ 2,307,943	$ 3,520,067

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.41	—
%Net Income to Sales	9.51	—
%Net Income to Equity	20.68	—
Debt to Equity	0.40	2.50
Working Capital	—	$1,253,202
Current Ratio	—	2.13
Shareholders' Equity	$1,325,127	$ 764,443

Advanced Micro Devices, Inc.

901 Thompson Place
P.O. Box 3453
Sunnyvale, California 94088
(408) 732-2400

Officers: W.J. Sanders, III, chairman of the board, president & chief exec. officer; James Downey, sr. v.p.-operations; Richard Previte, sr. v.p.-finance & treasurer; George M. Scalise, sr. v.p., chief adm. officer & secretary; Marvin D. Burkett, v.p. & controller; Steve Zelencik, v.p.-sales & marketing; Anthony Holbrook, exec. v.p. & chief operating officer; Thomas W. Armstrong, v.p. & gen. counsel; Gene Connor, v.p. & group executive; Stan Winvick, v.p.-human resources; James N. Miller, v.p. & group exec.-North American sales.

Directors: W.J. Sanders, III, chairman; R. Gene Brown, R. Michael Shanahan, Herman R. Franz, Richard H. Jenrette.

Areas of Work: Designs, develops, manufactures and markets complex monolithic integrated circuits for use by manufacturers of a broad range of electronic equipment and systems, primarily products for computation, communication and instrumentation applications. The Company also produces and sells integrated circuits to customers that manufacture and sell computer and video products for personal use.

Subsidiaries:

Advanced Micro Devices Mikro-Electronik GmbH, Germany
Advanced Micro Devices Sdn. Bhd., Malaysia
Advanced Micro Devices Export Sdn. Bhd., Malaysia
Advanced Micro, Ltd., U.S.A.
Advanced Micro Devices U.K. (Limited), England
Advanced Micro Devices SA, France
Advanced Micro Devices, SRL, Italy
Advanced Micro Devices K.K., Japan
Advanced Micro Devices (Philippines) Inc., Manila
AMD Properties, Inc., U.S.A.
Advanced Micro Devices Overseas Corporation, U.S. and Belgium
Advanced Micro Devices Export Corporation, U.S.A.
Advanced Micro Computers, Inc., U.S.A.
Advanced Micro Devices, A.B., Sweden

Transfer Agent(s):

Bank of America, NT & SA
P.O. Box 37002
San Francisco, California 94137

Bank of America, NT & SA
P.O. Box 3210
Church Street Station
New York, New York 10008

Stock Exchange(s): New York

Ticker Symbol: AMD

Number of Employees:

1985	15,299	1982	9,904
1984	13,067	1981	9,915
1983	10,521		

Plant Footage:

1985	2,140,000 sq. ft.	1983	1,654,000
1984	N.A.	1982	1,292,000

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 931,079,000	$ 135,369,000
1984	583,346,000	71,111,000
1983	358,345,000	20,983,000
1982	281,580,000	8,950,000
1981	309,391,000	24,684,000

	No. of Com. Shares ×	Earn. per Share ×
1985	58,223,000	$ 2.32
1984	57,642,000	1.23
1983	53,694,000	0.39
1982	48,874,000	0.18
1981	47,682,000	0.52

× Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	100%	—
1983	—	50%	—
1982	—	—	—
1981	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 445,654,000	$ 7.65
1984	278,574,000	4.83
1983	183,354,000	3.41
1982	131,974,000	2.70
1981	118,600,000	2.49

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended	3/31/85	3/25/84
Net sales	$ 931,079	$ 583,346
Cost of sales	428,181	276,522
Expenses	323,101	209,541
Interest exp. (income)	2,025	851
Income before taxes	$ 181,822	$ 96,432
Income taxes	46,453	25,321
Net Income	$ 135,369	$ 71,111

* Included in Costs and Expenses, Depreciation and Amortization: $73,825,000 in 1985 and $43,630,000 in 1984.

Assets
(000's)

As of	3/31/85	3/25/84
Cash & cert. of deposit	$ 24,597	$ 35,043
Accts. receiv., net	132,397	115,214
*Inventories	53,546	59,352
Prepaid expenses & inc. taxes	16,157	6,019
Deferred income taxes	60,068	25,436
Current Assets	$ 286,765	$ 241,064
#Fixed assets	471,163	269,985
Other assets	2,180	1,227
Total Assets	$ 760,108	$ 512,276

Liabilities
(000's)

Notes payable	$ 9,121	$ 10,797
Long-term debt, curr.	3,643	2,578
Accts. payable	82,970	68,467
Accruals	70,485	52,899
Deferred income	45,620	32,987
Income taxes	4,004	4,845
Curr. Liabilities	$ 215,843	$ 172,573
Long-term debt	44,285	27,425
Deferred inc. taxes	54,326	33,704
+ Common stock & add. paid-in capital	139,788	108,077
Retained earnings	305,866	170,497
Total Liabilities & Shareholders' Equity	$ 760,108	$ 512,276

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.53	16.53
%Net Income to Sales	14.54	12.19
%Net Income to Equity	30.38	25.53
Sales to Inventories	17.39	9.83
Debt to Equity	0.13	0.15
Working Capital	$ 70,922,000	$ 68,491,000
Current Ratio	1.33	1.40
Shareholders' Equity	$445,654,000	$278,574,000

AEL Industries, Inc.

305 Richardson Road
Lansdale, Pennsylvania 19446
(215) 822-2929

Mailing address:

P.O. Box 552
Landsdale, Pennsylvania 19446

Officers: Conrad J. Fowler, chairman; Leon Riebman, president & chief executive officer; George King, sr. v.p. & chief financial officer; John F. Sharkey, v.p.-planning; John R. Cox, v.p., secretary & general counsel; Jesse H. Riebman, v.p., treasurer & assistant secretary; Raymond Gutowski, v.p. & controller; Mark H. Ronand, v.p.; Richard M. Eisenstaedt, asst. secretary.

Directors: Conrad J. Fowler, chairman; Leon Riebman, Francis J. Dunleavy, Donald H. Miller, Jr., Grinnell Morris, Lloyd W. Moffit.

Areas of Work: Involved with electronic defense products and services, consisting primarily of the design and manufacture of electronic countermeasure systems, radars and receivers. The Company is also engaged in the installation and integration of avionics systems into military aircraft, and provides such products as antennas, microwave integrated circuits, and hybrid microcircuits, and such services as calibration services, product testing services and technical publication services.

Subsidiaries:

American Electronic Laboratories, Inc.
306 Richardson Road
Montgomeryville, Pennsylvania 18936

AEL Systems International Corp.
Elisra Electronic Systems, Ltd.
Emtech Investment Co., Inc.
UltraVest Corp.

AEL Industries, Inc.

Transfer Agent(s):

Pittsburgh National Bank (common stock)
Pittsburgh, Pennsylvania

Mellon Bank (debentures)
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AELNA (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income ‡
1986*	$ 104,909,000	$ 4,739,000
1985	83,779,000	43,594,000
1984	64,208,000	6,895,000
1983	53,815,000	(517,000)
1982	45,791,000	(4,722,000)

	No. of Com. Shares †	Earn. per Share #‡
1986*	4,636,000	$ 1.01
1985	4,608,000	9.30
1984	4,618,500	1.23
1983	4,411,500	—
1982	4,356,000	—

(Loss)
* 53 weeks.
† Adjusted to reflect stock splits.
+ Of continuing operations only.
‡ Including extraordinary gain of $2,500,000 ($0.54 per share) in 1984.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	3-for-2
1985	—	—	3-for-2
1984	—	—	—
1983	—	—	—
1982	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1986	$ 55,501,000	$ 11.97
1985	50,539,000	10.97
1984	8,838,000	1.91
1983	1,941,000	0.44
1982	3,220,000	0.74

# Adjusted to reflect stock splits.

Income Account *

Year ended	2/28/86	2/22/85
Net sales	$ 104,909,000	$ 83,779,000
Cost of sales	81,089,000	64,494,000
Expenses	17,145,000	14,295,000
Other expense	222,000	113,000
Interest expense	881,000	410,000
Interest income	(1,483,000)	(2,721,000)
Share in inc. of unconsol. subsid.	(1,317,000)	(1,983,000)
Prov. for claim settle.	1,783,000	—
Income bef. taxes	$ 6,589,000	$ 9,171,000
Income taxes	1,850,000	1,817,000
Inc. - cont. oper.	$ 4,739,000	$ 7,354,000
Inc. - discont. oper.	—	36,240,000
Net Income	$ 4,739,000	$ 43,594,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,178,000 in 1985 and $1,705,000 in 1984.

Assets

As of	2/28/86	2/22/85
Cash & short-term invest.	$ 13,278,000	$ 33,194,000
Receivable, net	32,282,000	22,561,000
*Inventories	4,548,000	4,320,000
Prepaid expenses	1,151,000	1,912,000
Current Assets	$ 51,259,000	$ 61,987,000
Investments	10,604,000	9,531,000
#Fixed assets	20,996,000	14,747,000
Other assets	1,166,000	18,000
Total Assets	$ 84,025,000	$ 86,283,000

Liabilities

Long-term debt, curr.	$ 1,468,000	$ 832,000
Accts. payable	3,711,000	3,083,000
Accrued payroll	4,495,000	4,352,000
Advance deposits	1,740,000	6,300,000
Other accruals	6,758,000	13,223,000
Curr. Liabilities	$ 18,172,000	$ 27,790,000
Long-term debt	8,758,000	6,910,000
Def. inc. taxes	1,594,000	1,044,000
+ Common stock:		
Class A	4,374,000	2,897,000
Class B	460,000	312,000
Add. paid-in capital	1,931,000	3,416,000
Retained earnings	49,580,000	44,841,000
Treasury stock	(844,000)	(927,000)
Total Liabilities & Shareholders' Equity	$ 84,025,000	$ 86,283,000

* At lower of cost (average and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.28	—
%Net Income to Sales	4.52	—
%Net Income to Equity	8.54	—
Sales to Inventories	23.07	86.26
Debt to Equity	0.18	0.15
Working Capital	$33,087,000	$34,498,000
Current Ratio	2.82	2.25
Shareholders' Equity	$55,501,000	$50,539,000

Aeroflex Laboratories Incorporated

35 South Service Road
Plainview, New York 11803
(516) 694-6700

Officers: Julius D. Winer, chairman of the board; Harvey R. Blau, vice chairman of the board; Milton Brenner, president; Arthur J. Hendler, exec. v.p.; Richard Casper, v.p.-engineering; Chester Gilbert, v.p.-Isolation Products; Jack Tusinski, v.p.-finance; Frank DiMaio, treasurer & secretary; Myron Schwartz, v.p. & chief scientist; Thomas V. Guerriere, v.p.-microelectronics.

Directors: Julius D. Winer, chairman; Harvey R. Blau, Robert Bradley, Milton Brenner, Ernest E. Courchene, Jr., Jerome Fox, Eugene Novikoff, Jack Tusinski, Irving Mirman.

Areas of Work: Engaged in the design, development and production of precision stabilization and tracking devices, radio frequency filters, helical shock and vibration isolaters, advanced semi-conductor sub-assemblies, magnetic products and electro-optical scanning devices.

Subsidiaries:

Aeroflex International, Inc.
Caguas, Puerto Rico
Produces the Isolator product line.

Aeroflex Systems Corp.
700 N. Fairfax Street
Alexandria, Virginia 22314

Huxley Envelope Corp.
Brooklyn, New York

Filtron Co., Inc.
Old Bethpage, New York
Designs and manufactures radio frequency filters and shielded enclosures.

Vibration Mountings & Controls, Inc.
113 Main Street
Bloomingdale, New Jersey 07403
Manufactures shock and vibration control devices.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): NYSE

Ticker Symbol: ARX

Number of Employees:

1985	780	1982	470
1984	573	1981	415
1983	485		

Plant Footage:

1985	287,000 sq. ft.	1983	260,000
1984	285,000	1982	200,700

Sales and Earnings

	Revenues	Net Income
1985	$ 47,958,948	$ 4,768,264
1984	36,234,015	4,152,150
1983	33,801,900	3,879,769
1982	28,700,581	3,177,147
1981	21,045,736	2,080,803

	No. of Com Shares †	Earn. per Share †
1985	4,158,855	$ 1.15
1984	4,338,442	0.96
1983	4,312,910	0.91
1982	3,089,800	0.78
1981	2,681,362	0.63

† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1985	1984
Elect. & magnetic prods.	$ 14,180,197	$ 9,585,833
Mechanical syst.	15,463,661	15,296,619
Envelopes	9,738,710	8,401,273
Other	8,576,380	2,950,290
Total	$ 47,958,948	$ 36,234,015

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	—
1984	—	—	—
1983	—	10% & 25%	—
1982	—	—	—
1981	—	10%, 25% & 50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 27,730,339	$ 6.78
1984	24,701,084	6.39
1983	20,948,449	5.41
1982	14,562,848	4.40
1981	9,641,641	3.24

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1985	1984
Revenues	$ 47,958,948	$ 36,234,015
Cost of revenues	33,526,966	23,957,157
Expenses	8,497,674	7,395,271
Interest expense	1,668,319	491,292
Other income	(1,670,275)	(634,855)
Income before taxes	$ 5,936,264	$ 5,025,150
Income taxes	1,168,000	873,000
Net Income	$ 4,768,264	$ 4,152,150

* Included in Costs and Expenses, Depreciation and Amortization: $1,957,916 in 1985 and $1,349,528 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 12,093,880	$ 7,876,151
Short-term invest.	21,627,489	—
Receiv., net	14,654,101	11,786,409
*Inventories	7,438,225	6,891,388
Prepaid expenses & other assets	773,666	417,728
Current Assets	$ 56,587,270	$ 26,971,676
#Fixed assets	13,248,923	10,785,611
Deben. insur. costs	1,310,032	—
Market. eq. secur.	502,130	428,541
Intangibles	177,897	183,767
Other assets	620,301	795,336
Total Assets	$ 72,446,553	$ 39,164,931

Liabilities

Long-term debt, curr.	$ 1,110,750	$ 253,063
Accts. payable	1,991,297	1,651,206
Accruals	4,514,488	2,981,809
Inc. taxes pay.	2,734,533	2,830,915
Curr. Liabilities	$ 10,351,068	$ 7,716,992
Long-term debt	33,466,146	6,236,855
Deferred income taxes	899,000	510,000
+Common stock	431,412	390,888
Add. paid-in capital	21,145,197	16,476,443
Retained earnings	8,465,575	8,344,502
Treasury stock	(2,290,907)	(441,004)
Loss on investments	(20,938)	(69,745)
Total Liabilities & Shareholders' Equity	$ 72,446,553	$ 39,164,931

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	12.38	13.87
%Net Income to Revenues	9.94	11.46
%Net Income to Equity	17.20	16.81
Debt to Equity	1.25	0.26
Working Capital	$46,236,202	$19,254,684
Current Ratio	5.47	3.50
Shareholders' Equity	$27,730,339	$24,701,084

Aeronca, Inc.

Suite 300
Marine Midland Plaza
7415 Pineville/Matthews Road
Charlotte, North Carolina 28226
(704) 541-1700

Officers: Joe L. Miller, chairman of the board, president & chief executive officer; John E. Hackett, v.p.-human resources; J. Lamont Crosby, v.p. & chief financial officer; Harold L. Brundage, v.p. & general manager-Aerospace Division; Clifton W. Philips, v.p. & president-Aeronca Electronics, Inc.; Michael Rahman, v.p.-international; Billy C. Layton, controller; John R. Stewart, treasurer.

Directors: Stuart W. Cramer, Joe L. Miller*, George E. Griffin, Barry J. Shillito*, James T. Stewart, Thomas I. Storrs, William B. Burdeshaw, Samuel F. McKay, Robert L. Underwood, III.

* Member of the Executive Committee.

Areas of Work: Diversified manufacturer of aerospace components, composite structures, laser-optics injection systems, and recreational fiberglass boats.

Divisions and Subsidiaries:

Aerospace Division
1712 Germantown Road
Middletown, Ohio 45042
(513) 422-2751

Produces assemblies, sub-assemblies, components and parts for commercial airplanes, military airplanes, space vehicles, aircraft engines and business jet aircraft.

CompositAir, Inc.
1818 DeHavilland Drive
Newbury Park, California 91320
(805) 499-3661

Design and manufacture of specialty aerospace and industrial products from composite materials.

Marathon Boat Mfg. Co., Inc. (50.1% owned)
One Little Dude Avenue
Kenshaw, South Carolina 29067
(803) 475-6557

Manufacture of recreational fiberglass boats.

Aeronca Electronics, Inc.
9625 Southern Pine Blvd.
Charlotte, North Carolina 28210
(704) 523-4808

Produces laser-optics inspection systems used in quality control by silicon wafer and integrated circuit manufacturers.

Acquisition(s):

Brooks Automation, Inc.
North Billerica, Massachusetts

Designs, manufactures and markets automatic and robotic products used for the placement and transport of silicon wafers in semiconductor fabrication.

Transfer Agent(s):

AmeriTrust Co.
P.O. Box 6477
900 Euclid Avenue
Cleveland, Ohio 44101

Stock Exchange(s): American, Pacific

Ticker Symbol: ARN

Number of Employees:

1985	830	1982	520
1984	750	1981	1,070
1983	530		

Plant Footage:

1985	N.A.	1982	722,900
1984	579,000 sq. ft.	1981	735,000
1983	474,700		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income ‡
1985	$ 65,198,000	$ (2,210,000)
1984	44,292,000	4,058,000
1983	43,852,000	3,795,000
1982	44,148,000	(1,019,000)
1981	56,804,000	(1,235,000)

	No. of Com. Shares †	Earn. per Share ‡†
1985	2,979,167	$ —
1984	3,103,668	1.22
1983	3,072,384	1.21
1982	2,808,767	—
1981	2,805,530	—

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding during the year.
‡ Including extraordinary gains of $12,000 in 1985, $2,001,000 ($0.64 per share) in 1984, $1,790,000 ($0.58 per share) in 1983.

Revenues By Line of Business
(000's)

	1985	1984
Aerospace	$ 46,407	$ 34,412
Aeronca Elec.	8,363	8,434
Other segments	10,428	1,446
Total	$ 65,198	$ 44,292

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 8,337,000	$ 2.80
1984	10,962,000	3.53
1983	7,283,000	2.37
1982	3,408,000	1.21
1981	4,675,000	1.67

‡ Based on the weighted average number of common shares and common share equivalents outstanding during the year.

Income Account

Year ended Dec. 31	1985	1984
Net sales	$ 65,198,000	$ 44,292,000
Cost of sales	50,721,000	29,882,000
Expenses	13,454,000	8,655,000
Depreciation & amortization	1,955,000	1,094,000
Interest expense	2,248,000	1,598,000
Other income	(997,000)	(1,011,000)
Inc. (loss) bef. taxes	$ (2,183,000)	$ 4,074,000
Income taxes	12,000	2,098,000
Minority interest	27,000	(81,000)
Net Income (Loss)	$ (2,222,000)	$ 2,057,000
Extraord. gain	12,000	2,001,000
Net Income (Loss) & extraord. gain	$ (2,210,000)	$ 4,058,000

Assets

As of Dec. 31	1985	1984
Cash	$ 1,391,000	$ 3,843,000
Accts. receiv., net	9,564,000	6,046,000
*Inventories	13,718,000	11,602,000
Prepaid expenses	760,000	1,051,000
Current Assets	$ 25,433,000	$ 22,542,000
#Fixed assets	9,052,000	7,221,000
Note receiv.	1,480,000	1,466,000
Intangibles	3,746,000	3,520,000
Other assets	5,676,000	3,702,000
Total Assets	$ 45,387,000	$ 38,451,000

Liabilities

Notes payable	$ 6,559,000	$ 584,000
Long-term debt, curr.	1,638,000	885,000
Accts. payable	5,892,000	3,582,000
Accruals	2,754,000	2,755,000
Accrued payroll	2,064,000	1,883,000
Curr. Liabilities	$ 18,907,000	$ 9,689,000
Long-term debt	13,543,000	12,882,000
Minority interest	60,000	33,000
+Redeemable 6% preferred	386,000	761,000
++Redeem. serial pref. shares	210,000	399,000
+++Redeemable 8% preferred	3,944,000	3,725,000
++++Common Stock	12,759,000	12,709,000
Add. paid-in capital	2,826,000	2,971,000
Deficit	(7,248,000)	(4,718,000)
Total Liabilities & Shareholders' Equity	$ 45,387,000	$ 38,451,000

* Long-term contracts and programs stated at actual production cost. All others at lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value.
+ + No par value; $6 convertible.
+ + + $0.01 par value; cum. convert.
+ + + + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.20
%Net Income to Sales	—	4.64
%Net Income to Equity	—	18.76
Sales to Inventories	4.75	3.82
Debt to Equity	2.61	1.31
Working Capital	$6,526,000	$12,853,000
Current Ratio	1.35	2.33
Shareholders' Equity	$8,337,000	$10,962,000

Aerosonic Corporation

1212 North Hercules Avenue
Clearwater, Florida 33515
(813) 461-3000

Officers: Herbert J. Frank, president; William Parker, v.p.-purchasing; David S. Goldman, executive v.p. & treasurer; Miriam Frank, secretary.

Directors: Herbert J. Frank, David S. Goldman, Miriam Frank, C. Fred Burley.

Areas of Work: Engaged in the research, manufacture and overhaul of aircraft instrumentation. Sells a complete line of instrumentation with altimeters representing a major portion of total sales.

Transfer Agent(s):

Aerosonic Corporation
Clearwater, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASON (NASDAQ)

Number of Employees:

1986	211	1983	295
1985	230	1982	N.A.
1984	230		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income
1986	$ 10,100,154	$ 14,893
1985	10,940,976	315,512
1984	7,451,365	62,661
1983	6,755,875	(222,768)
1982	10,472,099	395,112

	No. of Com. Shares ‡	Earn. per Share ‡
1986	3,836,211	$ —
1985	3,836,211	0.08
1984	3,836,211	0.02
1983	3,986,234	—
1982	3,986,234	0.01

(Loss)
‡ Based on weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1986	$ 6,188,547	$ 1.61
1985	6,173,654	1.61
1984	5,858,142	1.53
1983	5,795,486	1.45
1982	6,090,754	1.53

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 10,100,154	$ 10,940,976
Cost of sales	8,235,117	8,678,008
Expenses	1,868,544	1,758,972
Interest exp.	102,600	89,484
Income (loss) bef. taxes	$ (106,107)	$ 414,512
Income taxes (credit)	(121,000)	99,000
Net Income	$ 14,893	$ 315,512

* Included in Costs and Expenses, Depreciation and Amortization: $393,466 i 1985 and $324,921 in 1984.

Assets

As of Jan. 31	1986	1985
Cash	$ 29,336	$ 23,824
Accts, notes & other receiv.	1,309,080	1,962,744
Refundable income taxes	87,528	—
*Inventories	5,040,904	5,299,718
Prepaid expenses	37,146	26,652
Current Assets	$ 6,503,994	$ 7,312,938
#Fixed assets	1,977,454	1,813,163
Mortg. reciev.	2,223	7,778
Other assets	16,262	17,669
Total Assets	$ 8,499,933	$ 9,151,548

Liabilities

Notes payable	$ 410,000	$ 825,000
Long-term debt, curr.	280,391	227,208
Accounts payable	676,509	687,593
Accrued payroll	171,991	233,909
Accruals	130,460	139,700
Inc. taxes pay.	—	139,100
Def. inc. taxes	—	52,000
Curr. Liabilities	$ 1,699,351	$ 2,304,510
Long-term debt	452,035	425,070
Def. inc. taxes	190,000	248,314
+Common stock	1,594,505	1,594,505
Add. paid-in capital	3,174,354	3,174,354
Retained earnings	1,492,349	1,477,456
Treasury stock	(72,661)	(72,661)
Total Liabilities & Shareholders' Equity	$ `8,449,933	$ 9,151,548

* At lower of cost (FIFO) or market.
# Less accumulsted depreciation.
+ $0.40 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.79
%Net Income to Sales	0.15	2.88
%Net Income to Equity	0.24	5.11
Sales to Inventories	2.00	2.06
Debt to Equity	0.18	0.24
Working Capital	$4,834,643	$5,008,428
Current Ratio	3.90	3.17
Shareholders' Equity	$6,188,547	$6,173,654

AES Technology Systems, Inc.

140 Lively Boulevard
Elk Grove Village, Illinois 60007
(312) 437-3084

Officers: Martin T. Abrams, chairman of the board, exec. v.p. & treasurer; Lee A. Goldboss, president; Robert E. Martin, controller & secretary.

Directors: Martin T. Abrams, chairman; Lee A. Goldboss, August C. Sievers, E. Thomas Layton, David F. Herche.

Areas of Work: An engineering firm which produces custom data recording systems. Specializes in designing machines with industry-wide applications to automatic handling, reproduction, and recording of large quantities of documents.

Subsidiaries:

Game Plan, Inc. (22.7% owned)
Delaware
Manufactures and distributes coin operated amusement games and devices.

Transfer Agent(s):

Continental Illinois National Bank and
Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AEST (NASDAQ)

Number of Employees:

1984	88	1983	85

Plant Footage:

1984	27,000 sq. ft.	1981	80,000
1983	27,000	1980	80,000
1982	N.A.		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income †
1984	$ 6,335,789	$ (1,147,182)
1983	5,668,109	83,338
1982	5,869,342	136,668
1981	6,689,560	(1,084,909)
1980	12,061,026	(5,702,784)

	No. of Com. Shares ‡	Earn. per Share ‡†
1984	6,064,883	$ —
1983	5,769,763	0.01
1982	5,924,227	0.02
1981	5,419,695	—
1980	4,945,528	—

(Loss)
† Including extraordinary gain of $87,500 ($0.01 per share) in 1982.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ (3,085,795)	$ —
1983	(3,225,813)	—
1982	(3,309,151)	—
1981	(4,555,619)	—
1980	(4,660,022)	—

(Deficiency)

Income Account *

Year ended June 30	1984	1983
Equip. rentals	$ 6,303,018	$ 5,613,548
Interest	27,737	43,571
Other income	5,034	10,990
Revenues	$ 6,335,789	$ 5,668,109
Lease oper. costs	3,664,827	3,221,616
Expenses	1,957,399	1,646,807
Interest expense	710,745	679,348
Litigation settlements	1,150,000	25,000
Inc. (loss) bef. taxes	$ (1,147,182)	$ 95,338
Income taxes	—	12,000
Net Income (Loss)	$ (1,147,182)	$ 83,338

* Included in Costs and Expenses, Depreciation and Amortization: $221,467 in 1984 and $214,859 in 1983.

Assets

As of June 30	1984	1983
Cash	$ 37,616	$ 179,026
Marketable securities	300,000	252,040
Accts. receiv., net	706,058	494,882
Advances to officers & employees	71,642	52,123
Note receivable, curr.	37,500	37,500
*Inventories	277,456	238,263
Prepaid expenses & other assets	75,604	81,912
Current Assets	$ 1,505,876	$ 1,335,746
Rental equip.	2,863,377	1,900,456
#Fixed assets	500,620	522,798
Other assets	189,322	177,017
Total Assets	$ 5,059,195	$ 3,936,017

Liabilities

Note payable	$ 129,757	$ —
Long-term debt, curr.	173,200	205,953
Accts. payable	789,064	288,404
Income taxes pay.	—	12,896
Accruals	275,054	287,750
Curr. Liabilities	$ 1,367,075	$ 795,003
Long-term debt	6,777,915	6,366,827
+Common stock	65,603	57,432
Add. paid-in capital	5,872,598	4,637,506

Retained earnings (deficit)	(9,022,570)	(7,875,388)
Treasury stock	(1,426)	(45,363)
Total Liabilities & Shareholders' Equity	$ 5,059,195	$ 3,936,017

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

AFA Protective Systems, Inc.

519 Eighth Avenue
New York, New York 10018
(212) 279-5000

Officers: Philip Kleinman, chairman & chief executive officer; Reginald C. Miller, president & chief operating officer; Robert D. Kleinman, exec. v.p., secretary & general counsel; Richard D. Kleinman, v.p.; Raymond S. Greenberger, controller & assistant secretary.

Directors: Robert S. Heller, Philip Kleinman, Alfred J. Koeppel, Reginald C. Miller, Alfred G. Seddon, Harry F. Weyher, Richard D. Kleinman, Robert D. Kleinman, Leon Sicular.

Areas of Work: Engaged in the distribution and installation of alarm devices and systems, including a time and frequency division multiplex signal transmission system. Provides central station protective services.

Subsidiaries:

AFA Mass., Inc.

Transfer Agent(s):

Fidata Trust Company
1 Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AFAP (NASDAQ)

Number of Employees:

1985	246	1982	271
1984	262	1981	250
1983	269		

Sales and Earnings

	Sales & Revenues	Net Income
1985	$ 17,148,875	$ 4,925,466
1984	17,329,102	1,337,155
1983	17,270,932	1,628,887
1982	17,421,856	1,475,030
1981	15,313,868	853,982

	No. of Com. Shares	Earn. per Share #
1985	282,239	$ 16.99
1984	313,687	4.07
1983	340,922	4.78
1982	340,922	4.31
1981	340,422	2.40

# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.80	—	—
1984	0.80	—	—
1983	0.72	—	—
1982	0.60	—	—
1981	0.44	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 8,515,939	$ 30.17
1984	5,016,405	15.99
1983	5,011,192	14.70
1982	3,627,769	10.64
1981	2,443,624	7.18

Income Account

Year ended Dec. 31	1985	1984
Service	$ 14,361,177	$ 14,095,741
Sales	2,354,286	2,851,318
Other income	433,412	382,043
Total income	$ 17,148,875	$ 17,329,102
Cost of sales	1,315,801	1,979,652
Cost of service	5,971,752	5,655,780
Expenses	4,348,751	4,380,988
Depreciation	1,528,594	1,493,336
Rental of signal lines	1,630,362	1,620,319
Interest expense	—	5,360
Gain on sale of div.	(4,796,851)	(219,488)
Income before taxes	$ 7,150,466	$ 2,413,155
Income taxes	2,225,000	1,076,000
Net Income	$ 4,925,466	$ 1,337,155

Assets

As of Dec. 31	1985	1984
Cash	$ 564,705	$ 618,270
Marketable securities	3,442,827	3,374,171
Accts. & notes receiv., net	7,716,268	2,814,585
*Inventories	386,095	338,920
Prepaid expenses and other	277,579	137,314
Current Assets	$ 12,387,474	$ 7,283,260
Installment materials	617,817	811,559
#Fixed assets	6,656,156	7,519,205
Other assets	142,835	182,250
Total Assets	$ 19,804,282	$ 15,796,274

Liabilities

Accts. payable	$ 1,311,408	$ 1,485,213
Income taxes payable	12,764	72,750
Other accrued liab.	1,460,057	1,358,801
Other curr. liab.	1,738,758	384,475
Curr. Liabilities	$ 4,522,987	$ 3,301,239
Deferred income	5,794,256	6,422,831
Deferred inc. taxes	971,100	1,055,799
+Common stock	282,239	313,687
Add. paid-in capital	566,754	627,612
Retained earnings	7666,946	4,075,106
Total Liabilities & Shareholders' Equity	$ 19,804,282	$ 15,796,274

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	41.70	13.93
%Net Income to Revenues	28.72	7.72
%Net Income to Equity	57.84	26.66
Working Capital	$7,864,487	$3,982,021
Current Ratio	2.74	2.21
Shareholders' Equity	$8,515,939	$5,016,405

Algorex Corporation

70 Corporate Drive
Hauppauge, New York 11788
(516) 434-9400

West Coast Office:
3340 Ocean Park Boulevard
Santa Monica, California 90405
(213) 450-5050

Officers: Sheldon O. Newman, chairman of the board & chief executive officer; Robert M. Brill, president & chief operating officer; Merwin Kliman, exec. v.p.; Donald D. Shack, secretary; Marvin Sleven, Martin Camen, Ken Greenberg, Thomas Pursch, v.p.'s; John G. Carlson, chief financial officer, treasurer & controller.

Directors: Sheldon O. Newman, chairman; Merwin Kliman, Donald D. Shack, Robert M. Brill, Thomas F. Kearns, Jr.

Areas of Work: Using computers, the company automates the design, manufacture and testing of complex systems of all kinds for companies in the electronics industry. Also, the corporation designs and manufactures miniature hybrid circuits.

Subsidiary:

Algorex - Nashua, Inc.
85 Factory Street
Nashua, New Hampshire 03060
Manufactures high technology printed circuit boards.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Ticker Symbol: ALGO (NASDAQ)

Number of Employees:

1985	N.A.	1983	150
1984	350	1982	140

Plant Footage:

1985	N.A.	1983	30,000
1984	120,000 sq. ft.	1982	30,000

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 14,970,674	$ (5,855,766)
1984	15,223,475	1,619,152
1983	10,533,524	1,386,789
1982	8,507,798	732,685
1981	6,343,523	451,915

	No. of Com. Shares #	Earn. per Share #
1985	2,785,159	$ —
1984	2,815,335	0.58
1983	2,537,717	0.55
1982	2,121,713	0.35
1981	2,070,671	0.22

(Loss)
# Based on the weighted average number of shares outstanding during each period.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 13,290,485	$ 4.77
1984	18,926,338	6.72
1983	15,941,625	6.28
1982	3,673,628	1.73
1981	2,906,780	1.40

# Based on the weighted average number of shares outstanding during each period.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 14,970,674	$ 15,223,475
Cost of sales	18,014,709	11,009,967
Expenses	4,617,462	2,820,737
Int. and dividend inc.	(206,651)	(812,298)
Other expenses	34,214	129,917
Income (loss) bef. taxes	$ (7,489,060)	$ 2,075,152
Income taxes (credit)	(1,633,294)	456,000
Net Income (Loss)	$ (5,855,766)	$ 1,619,152

* Included in Costs and Expenses, Depreciation and Amortization: $2,432,990 in 1985 and $804,845 in 1984.

Algorex Corporation

As at June 30	1985	1984
Assets		
Cash	$ 371,624	$ 442,787
Investment securities	1,096,500	2,316,660
Accts. receiv., net	4,897,063	8,309,177
*Inventories	1,107,508	3,593,411
Other curr. assets	162,523	290,277
Current Assets	$ 7,635,218	$ 14,952,312
#Fixed assets	8,984,342	6,874,821
Construc. in progress	4,368,022	235,755
Cap. leased equip.	480,851	821,341
Intangibles	1,106,792	2,161,512
Other assets	199,517	220,310
Restricted investments	825,315	—
Total Assets	$ 23,600,057	$ 25,266,051
Liabilities		
Short-term borrowings	$ 1,800,000	$ —
Revenue bonds	150,000	—
Cap. lease oblig., curr.	229,761	329,260
Accts. payable	947,270	3,507,987
Accruals	709,855	499,750
Income taxes pay.	—	1,496,840
Curr. Liabilities	$ 3,835,895	$ 5,833,837
Revenue bonds	6,350,000	—
Cap. lease oblig.	123,677	369,422
Deferred inc. taxes	—	136,454
+Common stock	27,647	27,351
Add. paid-in capital	15,546,184	15,326,567
Retained earnings (deficit)	(2,259,933)	3,595,833
Receiv. from emp.	(23,413)	(23,413)
Total Liabilities & Shareholders' Equity	$ 23,600,057	$ 25,266,051

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	13.63
%Net Income to Sales	—	10.64
%Net Income to Equity	—	8.56
Working Capital	$ 3,799,323	$ 9,118,475
Current Ratio	1.99	2.56
Shareholders' Equity	$13,290,485	$18,926,338

Allegheny International, Inc.

Two Oliver Plaza
P.O. Box 456
Pittsburgh, Pennsylvania 15230
(412) 562-4000

Officers: Robert J. Buckley, chairman of the board & chief executive officer; Graemer K. Hilton, president & chief operating officer; Anthony D. Shanagher, exec. v.p. & chief financial officer; Alan H. Anderson, v.p. & president-Industrial Group; Thomas J. Albani, v.p. and president-Sunbeam North American Appliance Division; Anthony J. McCann, v.p. and president Sunbeam International Division; F.F. Babb, v.p. & treasurer; Arthur J. Dalton, v.p.-management information systems; James T. Dougherty, v.p., general counsel & secretary; George C. Oehmler, v.p.-administrative services; Herbert C. Graves, v.p.-operations services; Timothy L. Guzzle, exec. v.p. & president-Special Technology Group; Oliver S. Travers, Jr., exec. v.p. & president-North American Consumer Group; F. George Scott, sr. v.p.-human resources; Fred B. Smith, v.p. & controller.

Directors: Alan H. Anderson, Anthony J.A. Bryan*, Robert J. Buckley*, Richard M. Cyert*, George T. Farrell*, Timothy L. Guzzle, Graemer K. Hilton, Mark H. McCormack, Anthony J.F. O'Reilly*, Lord Fanshawe, Alexander M. Haig, Jr.*, Jean-Jacques Servan-Schreiber, Spencer R. Stuart, Oliver S. Travers, Jr.

* Member of the Executive Committee.

Areas of Work: Operations include four business segments—consumer products, technology, metals, and industrial specialties.

Divisions and Subsidiaries:

Consumer Products
Operations in consumer products involve the manufacture and distribution of utilitarian products used primarily in and around the home, including small appliances, personal care products, electric blankets, housewares, scales, clocks, razors, blades, barbecue grills, exercise equipment, matches and lighters.

Wilkinson Sword Limited
Liscartan House
127 Sloane Street
London SWIX 9BA
England
011-44-1-730-9823
Razors and blades; scissors and cutlery, lawn and garden tools.

Sunbeam Appliance Company
2001 South York Road
Oak Brook, Illinois 60521
(312) 654-1900
Irons, food and beverage preparation appliances, grooming and other personal care products.

Oster Division of Sunbeam Corporation
5055 North Lydell Anenue
Milwaukee, Wisconsin
(414) 332-8300
Personal care products, hairclippers, air cleaners.

Northern Electric Company
5224 North Kedzie Avenue
Chicago, Illinois 60625
(312) 267-5100
Electric blankets and personal care products.

Hanson Scale Company
P.O. Box 38-Highway 45 North
Shubuta, Mississippi 39360
(601) 687-1531
Bathroom, kitchen and postal scales.

Springfield Instrument Company
260 Railroad Avenue
Hackensack, New Jersey 07602
(201) 342-2700
Clocks, timers, and weather measuring instruments.

Sunbeam Corporation (Canada) Ltd.
Small appliances and barbeque grills.

Allegheny International Exercise Company
Exercise equipment.

Wilkinson Sword, Inc. (U.S.A.)
Razors and blades; knives and scissors.

Sunbeam International Division
Irons, food and beverage preparation appliances.

Northern Blankets Ltd.
Electric blankets and personal care products.

Bryant & May Ltd.
Companhia Fiat Lux Administracao e Participacoes Ltda.
Maguire & Peterson Ltd.
Lion Match Company Ltd.
All involved in the production of matches.

Solaray
Divison of Sunbeam Corporation (Canada) Limited
268 Grand River Avenue
P.O. Box 673
Brantford, Ontario
Canada N3T 5P9
(519) 759-6400

Almet/Lawnlite, Inc.
P.O. Box L
Portland, Tennessee 37148
(615) 325-9283
Casual furniture.

Sunbeam Leisure Products Company
P.O. Box 622
Neosho, Missouri 64850
(417) 451-4550
Gas and charcoal barbecue grills; insect killers.

Technology
Involved in the manufacture of mechanical, electromechanical and electronic aerospace products; pyrotechnic devices; permanent magnets, both metal and ceramic; semiconductor devices and field measuring instruments; tape transport units for data storage, digital cartridge records and other peripheral products for computers; automated welding, transfer and assembly equipment; electron beam and robotic systems; and systems used in the thermal processing of silicon wafers.

HTL Industries
101 East Wheeler Avenue
Arcadia, California 91006
(213) 574-7880
Mechanical, electro-mechanical, and electronic products for commercial aviation and military use.

Kilgore Corporation
Route 138, Bradford Road
Toone, Tennessee 83831
(901) 658-5231
Pyrotechnics; land and marine signaling devices; infrared decoy flare counter-measure devices.

Kennedy Company
1600 South Shamrock
Monrovia, California 91016
(213) 357-8831
Computer tape drives.

Thermco Systems, Inc.
1465 North Batavia Street
Orange, California 92668
(714) 639-2340
Vapor deposition furnaces and other semiconductor processing equipment.

Sciaky Brothers, Inc.
4915 West 67th Street
Chicago, Illinois 60638
(312) 594-3800

Bra-Con Industries, Inc.
12001 Globe Road
Livonia, Michigan 48150
(313) 591-0300
Automated assembly systems.

Industrial Specialties
Industrial specialties operations involve the production of thermostats and other automotive control devices; water purifying systems; patient care equipment; rail anchors and rail welding services; refrigeration panels and temperature-controlled structures; and computer-based electronic systems.

Allegheny International Medical Technology, Inc.
St. Louis, Missouri
Computer-based patient monitoring systems.

Applied Resources, Inc.
Microprocessing electronic systems and devices.

Tube Turns de Mexico, S.A.
Mexico City, Mexico
Rolled rings and forgings.

Bally Engineered Structures, Inc.
Bally, Pennsylvania 19503
(215) 845-2311
Preengineered insulated structures; building panels.

Illinois Water Treatment Co.
4669 Shepherd Trail
Rockford, Illinois 61150
(815) 877-3041
Ion-exchange liquid treatment systems.

John Zink Company
4401 South Peoria
Tulsa, Oklahoma 74105
(918) 747-1371
Combustion and pollution control systems and equipment.

Railway Products Division
111 East Wacker Drive
Chicago, Illinois 60601
(312) 565-5400
Railroad axles, anchors, and welding services.

Standard Thomson Corporation
152 Grove Street
Waltham, Massachusetts 02145
(617) 894-7310
Thermostats and other engine control devices.

Major Affiliates:

Titanium Metals Corporation of America (unconsolidated, 50% owned)

Timet Division
P.O. Box 2824
Pittsburgh, Pennsylvania 15230
(412) 262-4200

Freedom Forge Corporation

Rowenta-Werke GmbH (unconsolidated, 50% owned)
Postfach 24/25
D-6050 Offenbach/Main
West Germany
(0611) 85041

Tel-Thermco Engineering Co., Ltd. (unconsolidated, 50% owned)
Semi-conductor processing equipment.

Transfer Agent(s):

Mellon Bank, N.A.
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Mellon Bank N.A.
67 Broad Street
14th floor
New York, N.Y. 10004

Stock Exchange(s): New York, London, Paris

Ticker Symbol: AG

Number of Employees:

1985	30,800	1982	41,000
1984	34,800	1981	52,700
1983	36,700		

Sales and Earnings

	Net Sales +	Net Income
1985	$2,056,700,000	$ (109,100,000)
1984	2,093,400,000	14,900,000
1983	2,067,800,000	28,300,000
1982	2,587,200,000	47,300,000
1981	1,622,300,000	81,000,000

	No. of Com. Shares	Earn. per Share ‡
1985	10,758,868	$ —
1984	10,527,204	—
1983	11,215,812	—
1982	11,268,639	0.21
1981	10,832,520	7.48

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Consumer prods. U.S. & Can.	$ 883,372	$ 861,037
Consumer prods. International	503,244	514,554
Technology	350,503	355,668
Industrial spec.	319,568	362,155
Total	$ 2,056,687	$ 2,093,414

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.40	—	—
1984	1.40	—	—
1983	1.40	—	—
1982	1.40	—	—
1981	1.40	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 48,509,000	$ 4.51
1984	187,645,000	17.82
1983	258,766,000	23.07
1982	296,203,000	26.29
1981	379,790,000	35.06

‡ After allowing for redeemable preferred stocks at voluntary liquidation values.

Income Account
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 2,056,687	$ 2,093,414
Cost of sales	1,425,393	1,428,781
Expenses	480,633	461,909
Depreciation & amortization	50,836	51,116
Other income	(18,547)	(40,782)
Interest expense	92,494	95,356
Income before taxes	$ 25,878	$ 97,034
Income taxes	27,667	40,837
Equity earnings	55,732	(7,481)
Inc. (loss)- cont. oper.	$ (57,521)	$ 63,678
Loss from discont. oper.	(51,622)	(48,760)
Net Income (Loss)	$ (109,143)	$ 14,918

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 37,800	$ 27,530
Short-term invest.	19,643	31,598
Notes & accts. receiv., net	390,433	367,838
*Inventories	384,882	428,108
Prepaid expenses	43,211	23,430
Current Assets	$ 875,969	$ 878,504
Long-term receiv. & other invest.	48,504	94,410
Investments & advances	80,686	145,525
#Fixed assets	289,643	319,099
Other assets & intangibles	201,021	203,792
Assets of discont. oper.	11,456	45,848
Total Assets	$ 1,507,279	$ 1,687,178

Liabilities
(000's)

Short-term borrowings	$ 101,592	$ 60,644
Long-term debt, curr.	18,803	28,479
Accts. payable	200,195	243,224
Accruals	173,526	145,828
Accrued payroll	47,595	52,636
Income taxes	45,601	38,126
Liab. of discont. oper.	17,240	(5,731)
Curr. Liabilities	$ 604,552	$ 571,163
Long-term debt	492,079	497,996
Long-term liab.	67,235	55,126
Deferred inc. taxes	12,604	11,524
Minority interest	16,441	21,563
+ Redeemable pref. stock	228,520	295,607
+ + Common stock	8,827	7,885
Add. paid-in capital	213,308	146,365
Retained earnings	101,741	265,337
Cum. adjust. from for. curr. trans.	(147,767)	(148,404)
Treasury stock	(90,261)	(29,027)
Total Liabilities & Shareholders' Equity	$ 1,507,279	$ 1,687,178

* At lower of cost (average, FIFO & LIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $0.66⅔ par value.

Statistical Summary

%Net Income to Equity	—	2.77
Sales to Inventories	5.34	4.89
Debt to Equity	1.95	1.09
Working Capital	$271,417,000	$315,298,000
Current Ratio	1.45	1.55
Shareholders' Equity	$314,368,000	$537,763,000

The Allen Group, Inc.

534 Broad Hollow Road
Melville, New York 11747
(516) 293-5500

Officers: Walter B. Kissinger, chairman of the board, chief executive officer & president; J. Chisholm Lyons, vice chairman of the board; Donald B. Bindler, sr. v.p.; R. Michael Briggs, exec. v.p.-operations; Stephen E. Gilhuley, v.p. & secretary; Andris Grants, v.p.-planning; Sheldon Gross, v.p. & president-Allen Group Canada Limited; Frederick D. Heiman, v.p.-administration; John McCusker, v.p.-finance; Richard P. Motta, v.p. & treasurer; Robert G. Paul, v.p. & president-The Antenna Specialists Co. Division; Klaus J. Rath-Nagel, president-European operations; Robert A. Youdelman, v.p.-taxation; Stuart M. Wilens, v.p. & controller; Carlos I. Diaz, v.p.

Directors: Walter B. Kissinger, chairman; Wade W. Allen, George A. Chandler, Philip W. Colburn, Albert H. Gordon, Henry Kohorn, J. Chisholm Lyons, Charles W. Robinson, Felix Schnyder, Walter J. Stoessel, Jr., Richard S. Vokey, William M. Weaver, Jr.

Areas of Work: Manufactures automotive electronic test equipment, electronic assemblies and computerized engine diagnostic equipment. Other products include auto parts, antennas and truck cabs.

Subsidiaries:

Allen Testproducts
Kalamazoo, Michigan
Mississauga, Ontario, Canada
Engine diagnostic equipment for the automotive repair market.

Mangum Manufacturing Company
Dallas, Texas
Radiators and heat exchange products.

Allen Automated Systems Company
Westland, Michigan
Computerized products test and assembly machines and systems and automated test equipment.

The Antenna Specialists Co.
Cleveland, Ohio
Cellular telephone, marine, aviation, land mobile, monitor and CB antennas.

Allen European Operations
Offenbach, Hamburg, Hilden, Kassel, Schoellkrippen, Fuerth, and Munich, West Germany
Vienna, Austria
Wezembeek, Belgium
Birkerod, Denmark
The Hague, Netherlands
Porsgrund, Norway
Helsingborg, Sweden
Gas station installation and maintenance, car wash systems, garage equipment, and leasing.

The G&O Manufacturing Company
New Haven, Connecticut
Replacement radiator cores, radiators and heat exchange products.

The Allen Group Puerto Rico Inc.
Fajardo, Puerto Rico
Electronic assemblies used in other Allen products.

Allen Group Canada Limited
Toronto, Ontario, Canada
Die-cut and molded rubber products.

The Allen Group Leasing Corp.
Livonia, Michigan
Leasing engine diagnostic equipment.

The Crowns Division
Wooster, Orrville, Lorain, Lardstown, Ohio; Baltimore, Maryland; Sterling Heights, Michigan; Mississauga, Canada.
Truck cabs, bodies, utility van interiors, farm tractor cabs and hoods.

The Allen Group, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: ALN

Number of Employees:

1985	5,300	1982	4,100
1984	5,000	1981	4,900
1983	4,700		

Plant Footage*:

1985	N.A.	1982	1,886,000
1984	1,894,000 sq. ft.	1981	1,851,000
1983	1,745,000		

* Includes only plant footage of the Automotive Test & Service Equipment Group.
N.A. - Not Available.

Sales and Earnings

	Net Sales †	Net Income
1985	$ 399,155,000	$ 16,651,000
1984	346,502,000	10,551,000
1983	275,399,000	6,164,000
1982	231,402,000	(11,758,000)
1981	270,113,000	8,679,000

	No. of Com. Shares +	Earn. per Share ‡
1985	9,050,000	$ 1.82
1984	8,861,000	1.17
1983	8,562,000	0.78
1982	6,612,000	—
1981	6,581,000	1.31

† Of continuing operations only.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends and stock split.
+ Adjusted to reflect stock dividends and stock split.

Revenues By Line of Business
(000's)

	1985	1984
Automotive test & service	$ 294,400	$ 252,345
Mobile communications	27,600	22,259
Truck prods.	77,200	71,898
Total	$ 399,200	$ 346,502

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.50	—	5-for-4
1984	0.40	5%	—
1983	0.31	5%	—
1982	0.59	5%	—
1981	0.69	—	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 118,635,000	$12.88
1984	104,127,000	11.45
1983	95,927,000	11.13
1982	71,769,000	10.53
1981	88,645,000	13.08

+ Adjusted to reflect stock dividends and stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 399,155	$ 346,502
Cost of sales	268,550	233,074
Expenses	102,641	90,949
Eq. in earn. of unconsol. lease fin. subsid.	(4,214)	(4,037)
Interest expense	9,685	8,813
Inc. bef. taxes	$ 22,493	$ 17,703
Income taxes	5,842	4,763
Inc.- cont. oper.	$ 16,651	$ 12,940
Loss -discont. oper.	—	(2,389)
Net Income	$ 16,651	$ 10,551

* Included in Costs and Expenses, Depreciation and Amortization: $6,993,000 in 1985 and $6,264,000 in 1984.

Assets
(000's)

As at Dec. 31	1985	1984
Cash & equivalents	$ 1,415	$ 322
Accts. receiv., net	50,808	36,987
*Inventories	100,946	92,114
Prepaid expenses	3,934	3,278
Current Assets	$ 157,103	$ 132,701
#Fixed assets	58,198	51,829
Goodwill	7,597	7,583
Investments & other assets	20,239	16,584
Total Assets	$ 259,826	$ 208,697

Liabilities

	1985	1984
Accts. payable	$ 31,948	$ 26,963
Accruals	26,955	24,405
Income taxes	798	3,834
Curr. Liabilities	$ 59,701	$ 55,202
Long-term debt	38,991	24,367
Indust. rev. bonds	25,869	9,634
Cap. lease oblig.	3,100	5,307
Deferred income	13,530	10,060
+Common stock	9,651	7,628
Add. paid-in capital	74,416	75,375
Retained earnings	40,634	28,487
Translations adjustment	(3,387)	(4,684)
Treasury stock	(2,679)	(2,679)
Total Liabilities & Shareholders' Equity	$ 259,826	$ 208,697

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.64	—
%Net Income to Sales	4.17	—
%Net Income to Equity	14.04	10.13
Sales to Inventories	3.95	3.76
Debt to Equity	0.57	0.38
Working Capital	$ 97,402,000	$ 77,499,000
Current Ratio	2.63	2.40
Shareholders' Equity	$118,635,000	$104,127,000

Allen Organ Company

Macungie, Pennsylvania 18062
(215) 966-2200

Officers: Jerome Markowitz, president & treasurer; Robert Pearce, vice president-sales; Eugene Moroz, vice president-production & asst. secretary; Leonard W. Helfrich, secretary & asst. treasurer; Steven Markowitz, v.p.- international operations.

Directors: Jerome Markowitz, Robert Pearce, Eugene Moroz, Fred Pillsbury, Leonard W. Helfrich, Steven Markowitz.

Areas of Work: Manufactures electronic musical instruments.

Subsidiaries:

Allen Organ International, Inc. (DISC)
Macungie, Pennsylvania

Rocky Mount Instruments Inc.
Rocky Mount, North Carolina
(919) 442-8068

Transfer Agent(s):

Pittsburgh National Bank
10th St. & Ft. Duquesne Blvd.
Pittsburgh, Pennsylvania 15265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AORG (NASDAQ)

Number of Employees:

1985	500	1982	500
1984	500	1981	520
1983	500		

Plant Footage:

1985	287,000 sq. ft.	1982	287,000
1984	287,000	1981	287,000
1983	287,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 21,748,269	$ 4,168,536
1984	21,104,549	3,555,712
1983	19,373,362	2,962,419
1982	18,086,544	2,827,417
1981	18,172,368	2,189,082

	No. of Com. Shares #	Earn. per Share +
1985	1,363,980	$ 3.06
1984	1,362,580	2.61
1983	1,239,256	2.17
1982	1,202,430	2.08
1981	1,165,908	1.61

# Class A and Class B shares combined adjusted to reflect stock split.
+ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.29	—	2-for-1
1984	0.28	10%	—
1983	0.28	3%	—
1982	0.27	3%	—
1981	0.26	3%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 28,932,623	$ 21.21
1984	25,124,992	18.44
1983	21,956,346	17.72
1982	19,336,831	16.08
1981	16,816,110	14.42

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 21,748,269	$ 21,104,549
Cost of sales	13,829,023	13,825,978
Expenses	2,952,757	2,771,559
Other income	(3,168,047)	(2,459,700)
Income before taxes	$ 8,134,536	$ 6,966,712
Income taxes	3,966,000	3,411,000
Net Income	$ 4,168,536	$ 3,555,712

* Included in Costs and Expenses, Depreciation: $527,387 in 1985 and $423,186 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 689,672	$ 613,753
Short-term investments	14,894,293	12,567,028

Marketable securities	88,699	—
Accts. & notes rec., net	3,289,621	3,021,717
*Inventories	6,625,682	6,623,221
Prepaid expenses	24,042	17,724
Deferred inc. taxes	50,000	23,000
Current Assets	$ 25,662,009	$ 22,866,443
#Fixed assets	4,484,510	3,797,416
Other assets	941,890	568,327
Total Assets	$ 31,088,409	$ 27,232,186
Liabilities		
Accts. payable	$ 186,085	$ 430,685
Accruals	441,815	478,469
Customers' deposits	279,587	286,681
Income taxes	636,544	409,204
Curr. Liabilities	$ 1,544,031	$ 1,605,039
Long-term liabilities	284,788	284,788
Deferred compensation	326,967	217,367
+Common stock:		
Class A	116,204	58,102
Class B	1,279,246	639,623
Add. paid-in capital	8,200,253	8,171,801
Retained earnings	19,455,026	16,379,769
Treasury stock	(118,106)	(124,303)
Total Liabilities & Shareholders' Equity	$ 31,088,409	$ 27,232,186

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	37.40	33.01
%Net Income to Sales	19.17	16.85
%Net Income to Equity	14.41	14.15
Sales to Inventories	3.28	3.19
Working Capital	$24,117,978	$21,261,404
Current Ratio	16.62	14.25
Shareholders' Equity	$28,932,623	$25,124,992

Allied Signal Inc.

(formerly Allied Corporation)

Columbia Road and Park Avenue
P.O. Box 4000R
Morristown, New Jersey 07960
(201) 455-2000

Officers: Edward L. Hennessy, Jr., chairman of the board & chief exec. officer; Forrest N. Shumway, vice chairman; Michael D. Dingman, president; Daniel W. Derbes, exec. v.p.-int'l; Paul M. Montrone exec. v.p.-finance & administration; John A. Teske, exec. v.p.-Garrett; Nicholas A. Cameron, sr. v.p.-planning & development; Marc I. Stern, sr. v.p.-administration; Donald R. Kayser, sr. v.p. & chief financial officer; L. James Colby, Jr., sr. v.p.-technology; Brian D. Forrow, sr. v.p.-secty. & gen. counsel; Edwin M. Halkyard, sr. v.p.-human resources; David G. Powell, sr. v.p.-public affairs; Alan Belzer, William C. Purple, J. Mason Reynolds, Gerard L. Seelig, exec. v.p.'s & sector presidents; John W. Barter, v.p. & controller; Edward W. Callahan, v.p.-health, safety, and environmental science; William F. Loftus, v.p. & treasurer; Richard R. Alvarado, v.p.-gov't relations; Robert J. Barone, v.p.-adm. services; G. Peter D'Aloia, v.p.-taxes.

Directors: Jewel Plummer Cobb, Charles W. Nichols, Jr., Edward L. Hennessy Jr., Donald W. Davis, William R. Haselton, Robert D. Kilpatrick, Theodore C. Rogers, Stanley P. Porter, Richard R. Shinn, Thomas P. Stafford, Edward J. Boling, Ralph P. Davidson, Michael D. Dingman, Carla Anderson Hills, Richard A. Lenon, Forrest N. Shumway, Arthur Temple, Rawleigh Warner, Jr., Harry H. Wetzel.

Areas of Work: Engaged in the production of chemicals, airborne radar systems; automatic flight control systems; engine and flight instruments; motion sensing and air data systems; navigation and identification equipment; electric power generating systems; ignition and fuel control systems; aircraft wheels and brakes; electromechanical and hydraulic components; industrial control systems and industrial ignition components and test and checkout equipment, communications equipment; airport landing systems; guidance and control systems; gyroscopes; acoustic submarine detection equipment; precision machine components and mechanical assemblies for missiles; space pointing and control systems; meteorological data systems; chemical and biological containment detection instruments; and field engineering, management and support services, disc and drum brakes, power brake boosters and master cylinders; friction materials; electric motors, wire products and ignition components; spark plugs; steering systems; safety restraints; die castings and metal stampings; electronic engine controls; and engine cooling fans and air cleaner assemblies, air brake and hydraulic brake actuation components; air and hydraulic drum and disc brakes; slack adjusters; air dryers; fan clutches; and friction materials; replacement parts for all previous automotive related items and air, oil and fuel filters; nylon, caprolactum, filament nylon yarns, staple nylon yarns, industrial nylon and polyester yarns, apparel fibers, fluorocarbons, hydrofluoric acid and sulfuric acid, sulfur hexafluoride, chromium chemicals, specialty oximes, many other sulfur and fluorine-based products, uranium hexafluoride, high-density polyethylene, low-molecular weight polyethylene, engineered plastics, packaging plastics fluoropolymers, aluminum sulfate, coal tar pitch, creosote, semiconductor high purity process chemicals electrical and electronic connectors, laboratory furniture, analytical and measuring instruments, diagnostic supplies, refractories material, starting-lighting-ignition batteries, industrial batteries and standby power systems, hermetically sealed integrated circuits devices, phototypesetting equipment, electronic information systems, crude oil, natural gasoline, condensate natural and residue gas, liquified natural gas, liquified petroleum gases, and ethylene.

Organizational Sectors:

Oil and Gas
Engineered Material
Automotive
Aerospace/Electronics

Electronic Subsidiaries and Divisions:

- Allied Bendix
  - Aircraft Systems Company
  - Electronics Systems Company
- Garrett
- Ampex Corporation
- Amphenol Division
- Allied Linotype Company
- MPB Corporation
- Pneumo Precision, Inc.
- Revere Corporation of America
- Sigma Instruments, Inc.
- Neptune Water Meter Company

Acquisition(s):

King Radio Corporation
Engaged in the design, manufacture and marketing of aircraft communications, navigation and flight control systems.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Toronto, Amsterdam, Paris, Basle, Geneva, Zurich.

Ticker Symbol: ALD

Number of Employees:

1985	143,800	1983	117,750
1984	114,500	1982	105,000

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 9,115,000	$ (279,000)
1984	9,462,000	488,000
1983	8,682,000	98,000
1982	4,902,000	272,000
1981	5,400,000	348,000

	No. of Com. Shares †	Earn per Share #
1985	175,194,456	$ —
1984	83,029,334	5.03
1983	80,188,947	0.09
1982	52,874,935	4.14
1981	50,615,536	6.11

(Loss)
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Automotive	$ 2,430,000	$ 2,529,000
Aerospace	3,573,000	2,803,000
Engineered Materials	2,055,000	2,034,000
Unallocated	1,057,000	2,096,000
Total	$ 9,115,000	$ 9,462,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.80	—	—
1984	1.75	—	3-for-2
1983	1.60	—	—
1982	1.60	—	—
1981	1.57	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$5,833,000,000	$ 33.29
1984	2,747,000,000‡	33.07
1983	2,455,000,000‡	30.61
1982	2,013,000,000	38.07
1981	1,900,000,000	37.53

‡ After allowing for preferred stock series F & G at stated values.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 9,115,0000	$ 9,462,000
Cost of sales	7,080,000	7,121,000
Expenses	1,140,000	1,000,000
Oper. profit	$ 895,000	$ 1,341,000
Other income	(54,000)	(41,000)
Non-recurring items	517,000	10,000
Interest expense	182,000	185,000
Income before taxes	$ 250,000	$ 1,187,000
Income taxes	502,000	676,000
Eq. in loss (inc.) of affil. cos.	(39,000)	1,000
Loss in the Henley Group	66,000	23,000
Inc. (loss)-cont. oper.	$ (279,000)	$ 487,000
Inc.-discont. oper.	—	
Net Income (Loss)	$ (279,000)	$ 488,000

* Included in Cost and Expenses. Depreciation: Depletion and Amortization: $362,000,000 in 1985 and $412,000,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term securities	$ 1,125,000	$ 136,000
Accts. & notes receiv., net	1,407,000	1,020,000
*Inventories	2,125,000	1,172,999
Other curr. assets	303,000	227,000
Current assets	$ 4,960,000	$ 2,55,0000
Invest. in the Henly Group	2,620,000	950,000
#Fixed assets	3,153,000	3,350,000

Intangibles	1,416,000	533,000
Other assets	1,122,000	557,000
Total Assets	$ 13,271,000	$ 7,945,000

Liabilities

Accts. payable	$ 1,506,000	$ 1,423,000
Short-term borrowing	444,000	195,000
Long-term debt, curr.	43,000	130,000
Accruals	1,025,000	526,000
Curr. Liabilities	$ 3,018,000	$ 2,274,000
Long-term debt	2,086,000	1,530,000
Deferred inc. taxes	377,000	126,000
Other liabilities	1,335,000	636,000
+ Redeem. pref. stock	325,000	336,000
+ Preferred stock	297,000	296,000
+ + Common stock	176,000	83,000
Add. paid-in capital	4,836,000	1,269,000
Retained earnings	938,000	1,535,000
Treasury stock	(19,000)	(2,000)
Currency trans. adj.	(98,000)	(138,000)
Total Liabilities & Shareholders' Equity	$ 13,271,000	$ 7,945,000

* At lower of cost (LIFO, FIFO or average) or market.
# Less accumulated depreciation, depletion and amortization.
+ No par value.
+ + $1 par value.

Statistical Summary

%Net Income to Equity	—	16.04
Debt to Equity	0.42	0.61
Working Capital	$1,942,000,000	$ 281,000,000
Current Ratio	1.64	1.12
Shareholders' Equity	$6,130,000,000	$3,043,000,000

Alpha Industries, Inc.

20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150

Officers: George S. Kariotis, chairman & chief executive officer; Martin J. Reid, president & chief operating officer; Robert E. Goldwasser, Frank A. Leith, Howard J. Hall, vice presidents; Donald E. Paulson, secretary; Allan L. Coon, sr. v.p., treasurer & chief financial officer; Paul E. Vincent, controller; John A. Hanna, Jr., asst. treasurer.

Directors: George S. Kariotis, Zenon S Zannetos, John M. Dempsey, Jr., Timothy X. Cronin, Alfred M. Bertocchi.

Areas of Work: Supplies microwave ferromagnetic/dielectric materials and semiconductor devices, components and subsystems which are sold to manufacturers of sophisticated electronic systems. These products generate, amplify, detect and control microwave energy. The military defense market accounts for approximately 60% of Alpha's sales. Products include military radar, ECMs (electronic countermeasures) equipment, missile guidance and communications systems.

Divisions and Subsidiaries:

C.F.P. Holding Co., Inc.
20 Sylvan Road
Woburn, Massachusetts 01801
(617) 935-5150
Real estate.

Semiconductor Division
Woburn, Massachusetts

Advanced Technology Division
Methune, Massachusetts

Microelectronics Division
Hatfield, Pennsylvania

Microwave Components Division
Lawrence, Massachusetts

Millimeter Wave Division
Woburn, Massachusetts

Central Microwave Company
St. Charles, Missouri
Produces gallium arsenide millimeter and microwave signal sources.

Trans-Tech, Inc.
Adamstown, Maryland

Alpha Industries (U.S.A.), Ltd.
England

Alpha Industries GmbH
Germany

Alpha Industries FSC, Inc.
U.S. Virgin Islands

Alpha Securities Corporation
Alpha Telecommunications, Inc.
Alpha Disc, Inc.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: AHA

Number of Employees:

1985	1,500	1984	1,260

Plant Footage:

1985 . . . . . . 473,100 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 69,278,000	$ 3,689,000
1984	60,148,000	5,554,000
1983	52,219,000	5,213,000
1982	45,371,000	4,515,000
1981	34,571,000	3,446,000

	No. of Com. Shares #	Earn. per Share #
1985	7,078,000	$ 0.52
1984	7,027,000	0.79
1983	6,973,000	0.75
1982	6,110,000	0.74
1981	5,526,000	0.62

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.05	—	—
1984	0.05	—	—
1983	0.05	—	2-for-1
1982	0.05	—	—
1981	0.05	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 55,400,000	$ 7.83
1984	51,420,000	7.32
1983	45,581,000	6.54
1982	40,068,000	6.56
1981	20,702,000	3.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1985	1984
Net sales	$ 69,278,000	$ 60,148,000
Cost of sales	• 50,563,000	38,437,000
Expenses	15,618,000	12,814,000
Other income	(846,000)	(1,112,000)
Income before taxes	$ 3,943,000	$ 10,009,000
Income taxes	254,000	4,455,000
Net Income	$ 3,689,000	$ 5,554,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,636,000 in 1984.

Assets

As of March 31	1985	1984
Cash & temp. invest.	$ 7,775,000	$ 18,004,000
Accts. receiv., net	13,751,000	12,816,000
Inc. tax refund	1,219,000	—
*Inventories	13,843,000	11,262,000
Prepaid expenses	765,000	621,000
Current Assets	$ 37,353,000	$ 42,703,000
#Fixed assets	41,242,000	23,200,000
Other assets	1,943,000	279,000
Total Assets	$ 80,538,000	$ 66,182,000

Liabilities

Long-term debt, curr.	$ 324,00	$ 324,000
Accts. payable	4,705,000	3,183,000
Accruals	4,683,000	4,620,000
Curr. Liabilities	$ 9,712,000	$ 8,127,000
Long-term debt	13,042,000	4,120,000
Deferred inc. taxes	2,384,000	2,515,000
+ Common stock	1,851,000	1,840,000
Add. paid-in capital	25,893,000	25,219,000
Retained earnings	27,947,000	24,612,000
Treasury stock	(291,000)	(251,000)
Total Liabilities & Shareholders' Equity	$ 80,538,000	$ 66,182,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.69	16.64
%Net Income to Sales	5.32	9.23
%Net Income to Equity	6.66	10.80
Sales to Inventories	5.00	5.34
Working Capital	$27,641,000	$34,576,000
Current Ratio	3.85	5.25
Shareholders' Equity	$55,400,000	$51,420,000

Altair Corporation

1200 Shermer Road
Northbrook, Illinois 60062
(312) 498-4161

Officers: Garry Brainin, chairman of the board & president; John F. Guy, v.p.-finance; Robert J. Bond, Jr., secretary.

Directors: Robert J. Bond, Jr., Garry Brainin, George B. Collins, John F. Guy.

Subsidiaries:

Hurletron Incorporated
1938 East Fairchild Street
Danville, Illinois 61832
(217) 446-6500
Manufacture and sale of printing and packaging control systems for commercial printers, magazine publishers and packaging companies.

Vacudyne Incorporated
375 East Joe Orr Road
Chicago Heights, Illinois 60411
(312) 757-5200
Designs, manufactures and sells controlled-atmosphere processing systems; contract sterilization.

Harvest Industries, Inc.
1200 Shermer Road
Northbrook, Illinois 60062
(312) 272-7515
Manufacture and sale of animal feed and feed supplements in the Central and Western states.

Transfer Agent(s):

American National Bank & Trust Co. of Chicago
33 North LaSalle Street
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALTA (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1984	$ 39,221,000	$ 1,408,000
1983	42,072,000	1,074,000
1982	42,462,000	1,027,000
1981	49,306,000	1,990,000
1980	51,278,000	1,355,000

	No. of Com Shares	Earn. per Share †
1984	1,170,228	$ 1.19
1983	1,181,095	0.91
1982	1,181,095	0.87
1981	1,186,095	1.68
1980	1,201,003	1.11

† Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1984	1983
Electronic process equip. & controls	$ 12,960,000	$ 11,089,000
Animal agribusiness	26,261,000	30,983,000
Total	$ 39,221,000	$ 42,072,000

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 15,784,000	$ 13.49
1983	14,455,000	12.24
1982	13,381,000	11.33
1981	12,378,000	10.44
1980	10,453,000	8.70

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 39,221,000	$ 42,072,000
Cost of sales	30,941,000	34,564,000
Expenses	6,878,000	6,247,000
Interest expense	72,000	91,000
Other income	(836,000)	(400,000)
Provision for disposal of subsidiary assets	—	(146,000)
Income before taxes	$ 2,166,000	$ 1,716,000
Income taxes	791,000	551,000
Minority interest	(33,000)	91,000
Net Income	$ 1,408,000	$ 1,074,000

* Included in Costs and Expenses, Depreciation and Amortization: $998,000 in 1984 and $955,000 in 1983.

Assets

As of Dec. 31	1984	1983
Cash & invest.	$ 9,205,000	$ 6,071,000
Accts. receiv., net	3,731,000	5,600,000
*Inventories	3,211,000	3,047,000
Prepaid expenses	387,000	184,000
Assets of discont. oper.	47,000	47,000
Current Assets	$ 16,581,000	$ 14,949,000
#Fixed assets	4,276,000	4,721,000
Other assets	1,650,000	1,526,000
Total Assets	$ 22,507,000	$ 21,196,000

Liabilities

	1984	1983
Long-term debt, curr.	$ 154,000	$ 214,000
Accts. payable	1,667,000	2,003,000
Accruals	1,269,000	1,252,000
Customer advances	556,000	165,000
Income taxes	675,000	256,000
Curr. Liabilities	$ 4,321,000	$ 3,890,000
Long-term debt	515,000	410,000
Deferred inc. taxes	7,000	452,000
Deferred compensation	103,000	80,000
Minority interest	1,777,000	1,909,000
+ Common stock	362,000	362,000
Add. paid-in capital	3,643,000	3,643,000
Retained earnings	12,882,000	11,474,000
Treasury stock	(1,103,000)	(1,024,000)
Total Liabilities & Shareholders' Equity	$ 22,507,000	$ 21,196,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.52	4.08
%Net Income to Sales	3.59	2.55
%Net Income to Equity	8.92	7.43
Sales to Inventories	12.21	13.81
Working Capital	$12,260,000	$11,059,000
Current Ratio	3.84	3.84
Shareholders' Equity	$15,784,000	$14,455,000

Amdahl Corporation

1250 East Arques Avenue
Sunnyvale, California 94088
(408) 746-6000

Officers: Eugene R. White, chairman of the board; John C. Lewis, president & chief executive officer; E. Joseph Zenke, chief operating officer; Edward Thompson v.p., chief financial officer & secretary; William F. O'Connell, Jr., sr. v.p.-corporate strategy; Bruce O. Beebe, sr. v.p.-product operations; David M. Brewer, v.p.-processor products; Michael R. Clements, chief technical officer & v.p.-advanced development; Joseph J. Francesconi, sr. v.p.-marketing services & communications systems; Paul Hachigian, v.p.-communications; Anthony M. Pozos, sr. v.p.-industrial relations; William Flanagan, v.p.-manufacturing; Dean Witter, v.p. & treasurer; Ernest B. Thompson, v.p. & controller; Tom O'Rourke, v.p. & gen. mgr.-peripheral division; Daniel W. Tierney, v.p.-corp. operations; David J. Horton, v.p. & gen. mgr.-communications systems division; Frederick M. Trapnell, Jr., v.p.-system products; David L. Beamer, v.p.-U.S. sales operations; O.J. Nutt-v.p.-corp. marketing.

Directors: Eugene R. White, chairman; John C. Lewis, E.F. Heizer, Jr., Masaki Ogi, Burton G. Malkiel, Walter B. Reinhold, Norihiko Nakayama, R. Stanley Laing, Shoichi Ninomiya, J. Sidney Webb.

Areas of Work: Develops, manufactures and markets large-scale computer systems, storage products communications systems, software, and educational services. The company also provides products and software support for its systems and is engaged in research and development programs for future products.

Divisions and Subsidiaries:

Amdahl Canada Limited
1 First Canadian Place, 5th Floor
P.O. Box 123
Toronto, Ontario M5X 1A4
Canada
(416) 862-7479

Amdahl Belgium S.A.
Vorstleen 360, B7
B1160 Brussels
Belgium

Amdahl Danmark Computer Systems A/S
Sundkrogsgade 2
DK-2100 Kodenhaven oe
Denmark

Amdahl Deutschland GmbH
Arabella Strasse 21
P.B. 810109
D-8000 Muenchen 81
West Germany

Amdahl Nederland B.V.
Havenweg 24
4130 EB Vianen
Amsterdam
The Netherlands

Amdahl France S.A.R.L.
Maillot 2000
251 Boulevard Pereire
75853 Paris 17
France

Amdahl Italia, S.p.A.
Viale Castello
Della Magliana, 75
Rome 00148
Italy

Amdahl Norge A/S
Postboks 2023 Grunerloekka
Markveien 35A
Postboks 2023 Grunerlokka
Oslo 5
Norway

Amdahl Svenska AB
Svardvagen 11
Box 150
S-182 12 Danderyd
Sweden

Amdahl Schweiz AG
Baumacherstrasse 46
8050 Zurich
Switzerland

Amdahl Ireland, Limited
24/35 South William Street
Dublin 2
Ireland

Amdahl Communications Systems Division
2500 Walnut Avenue
Marina del Rey, California 90291

Designs, produces, markets, installs and services equipment (excluding transmission facilities) and software that constitute digital communications networks.

Amdahl (U.K.) Limited
Viking House
Lampton Road,
Hounslow
Middlesex TW3 1JD
England

Tran Communications, Ltd.
1320 Shawson Drive
Mississauga, Ontario L4W 1C3
Canada
(416) 678-9504

Amdahl International South Africa
5 Andrea Road, 2091 Reuven
Johannesburg, Republic of South Africa

Amdahl Australia Pty Ltd.
123 Walker Street
P.O. Box 1506
North Sydney
NSW 2060
Australia

Amdahl Internatonal Hong Kong
2103, Great Eagle Centre
23 Harbour Road
Wanchai
Hong Kong

Amdahl International Singapore
35-03 Shell Tower
50 Raffles Place
Singapore 0104

Amdahl International New Zealand
First Floor
Natwest House
132 The Terrace
Wellington
New Zealand

Transfer Agent(s):

Bank of America, NT & SA
San Francisco, California
New York, New York

Amdahl Corporation

Stock Exchange(s): American, London

Ticker Symbol: AMH

Number of Employees:

1985	N.A.	1982	N.A.
1984	7,000	1981	5,100
1983	6,300		

Plant Footage:

1985	N.A.	1982	N.A.
1984	1,900,000 sq. ft.	1981	1,000,000
1983	1,200,000		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income ‡
1985	$ 862,032,000	$ 28,706,000
1984	779,413,000	36,429,000
1983	777,680,000	46,457,000
1982	462,243,000	6,767,000
1981	442,774,000	26,764,000

	No. of Com. Shares #	Earn. per Share #‡
1985	47,589,000	$ 0.60
1984	45,569,000	0.80
1983	44,114,000	1.05
1982	40,342,000	0.17
1981	40,714,000	0.66

‡ Including extraordinary gains of $4,300,000 ($0.09 per share) in 1985, $3,200,000 ($0.07 per share) in 1983 and $1,900,000 ($0.05 per share) in 1982.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	—
1983	0.20	—	2-for-1
1982	0.20	—	—
1981	0.20	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 457,760,000	$ 9.62
1984	428,300,000	9.40
1983	372,339,000	8.44
1982	270,422,000	6.70
1981	266,165,000	6.54

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/27/85	12/28/84
Revenues	$ 862,032	$ 779,413
Cost of revenues	501,616	436,424
Expenses	313,322	301,791
Interest income	(14,646)	(13,283)
Interest expense	25,934	17,752
Income before taxes	$ 35,806	$ 36,729
Income taxes	11,400	300
Net Income	$ 24,406	$ 36,429
Extraordinary gain	4,300	—
Net Income & extraordinary gain	$ 28,706	$ 36,429

* Included in Costs and Expenses, Depreciation and Amortization: $83,043,000 in 1985 and $72,192,000 in 1984.

Assets
(000's)

As of	12/27/85	12/28/84
Cash & short-term invest.	$ 41,847	$ 43,440
Receivables	300,103	280,495
*Inventories	185,407	188,055
Prepaid expenses & deposits	7,547	6,278
Tax benefit	4,298	13,694
Current Assets	$ 539,202	$ 531,962
Long-term receiv.	99,233	84,827
#Fixed assets	268,433	278,631
Total Assets	$ 906,868	$ 895,420

Liabilities
(000's)

Notes payable	$ 66,118	$ 25,809
Accts. payable	31,233	30,387
Accruals	45,392	81,586
Accrued liabilities	111,811	96,082
Curr. Liabilities	$ 254,554	$ 233,864
Long-term debt	111,698	145,540
Deferred invest. tax credits	6,088	9,494
Deferred inc. taxes	76,768	78,222
+ Common stock	2,374	2,341
Add. paid-in capital	274,658	264,494
Retained earnings	180,728	161,465
Total Liabilities & Shareholders' Equity	$ 906,868	$ 895,420

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ 0.05 par value.

Statistical Summary

%Income bef. Taxes to Revenues	4.15	4.71
%Net Income to Revenues	2.83	4.67
%Net Income to Equity	5.33	8.51
Debt to Equity	0.39	0.40
Working Capital	$284,648,000	$298,098,000
Current Ratio	2.12	2.27
Shareholders' Equity	$457,760,000	$428,300,000

American Pacesetter

4540 Campus Drive
Newport Beach, California 92660
(714) 540-6712

Officers: John W. Klug, chairman, president & chief exec. officer; Richard F. Holland, Landon M. Exley, v.p.'s; John R. Polen, secretary & chief financial officer; Donald W. Killian, Jr., asst. secretary.

Directors: John W. Klug, chairman; Richard F. Holland, Landon M. Exley, Donald W. Killian, Jr., Henry K. Swenerton, David E. Alexander, David M. Bosko.

Areas of Work: Through its electronics subsidiary, American Electronics, Inc., manufactures film surveillance cameras and electronic power supplies for use in commercial, industrial and governmental applications.

Subsidiaries:

Pacesetter Homes, Inc.
4540 Campus Drive
Newport Beach, California 92660

American Electronics, Inc.
1600 East Valencia Drive
Fullerton, California 92634

Pacesetter Electronics, Inc.
5417 E. La Palma Avenue
Anaheim, California 92807

Transfer Agent(s):

San Clemente Savings and Loan Association
4300 Campus Drive
Newport Beach, California 92660

J. Henry Schroder Bank & Trust Company
One State Street
New York, New York 10015

Stock Exchange(s): Pacific

Ticker Symbol: AECP

Number of Employees:

1984	454	1981	450
1983	410	1980	325
1982	N.A.		

Plant Footage:*

1984	157,400 sq. ft.	1981	155,500
1983	155,800	1980	100,000
1982	N.A.		

N.A. - Not Available.
* Electronics only.

Sales and Earnings

	Revenues	Net Income‡
1984	$ 121,298,000	$ (2,492,000)
1983	94,459,000	1,456,000
1982	67,641,000	(2,498,000)
1981	67,471,000	3,416,000
1980	80,752,000	5,828,000

	No. of Com. Shares #	Earn. per Share #‡
1984	2,004,050	$ —
1983	2,024,000	0.72
1982	2,095,000	—
1981	2,396,000	1.43
1980	2,818,000	2.07

(Loss)
‡ Including extraordinary gain of $313,000 ($0.16 per share) in 1984.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	—
1980	—	—	1-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 21,025,000	$ 10.49
1983	24,299,000	12.01
1982	23,743,000	11.33
1981	26,890,000	11.22
1980	25,185,000	8.94

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect reverse stock split.

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 104,325,000	$ 81,811,000
Rental income	2,815,000	3,111,000
Other income	14,158,000	9,537,000
Revenues	$ 121,298,000	$ 94,459,000
Cost of sales	103,094,000	72,880,000
Rental expense	5,146,000	5,890,000
Expenses	9,049,000	6,478,000
Interest expense	9,863,000	6,916,000
Income (loss) before taxes	$ (5,854,000)	$ 2,295,000
Income taxes (credit)	(3,049,000)	839,000

Net Income (Loss)	$ (2,805,000)	$ 1,456,000
Extraord. gain	313,000	—
Net Income (Loss) & extraord. gain	$ (2,492,000)	$ 1,456,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,798,000 in 1984 and $1,899,000 in 1983.

Assets

As of Dec. 31	1984	1983
Cash	$ 11,173,000	$ 2,159,000
Accts. & other receiv.	9,163,000	9,565,000
*Inventories	11,194,000	10,451,000
Receivables from real est. sales	66,094,000	71,929,000
Loans receivables	37,943,000	—
Real est. proj.	65,111,000	75,658,000
Oper. prop.	31,170,000	21,438,000
#Fixed assets	5,014,000	4,521,000
Other assets	4,469,000	1,447,000
Total Assets	$ 241,331,000	$ 197,168,000

Liabilities

Notes payable	$ 146,033,000	$ 142,923,000
Accts. payable	7,577,000	8,459,000
Savings acct. liability	48,518,000	—
Accruals	3,503,000	2,872,000
Deferred inc. taxes	14,675,000	18,615,000
+ Common stock	1,642,000	1,667,000
Retained earnings	20,641,000	23,272,000
Curr. trans. adj.	(1,258,000)	(640,000)
Total Liabilities & Shareholders' Equity	$ 241,331,000	$ 197,168,000

American Precision Industries Inc.

2777 Walden Avenue
Buffalo, New York 14225
(716) 684-9700

Officers: Robert J. Fierle, president; Richard P. Becht, v.p.-finance & treasurer; Robert E. Weld, v.p.-administration & corporate controller; William A. Donovan, secretary; Virginia C. Pursell, assistant secretary; James W. Bevevino, v.p. & president-Heat Transfer Equipment Group; Donald C. McElheny, v.p. & president-Electronic Components Group; Richard S. Warzala, v.p. & president-Motion Control Group.

Directors: Robert J. Fierle, chairman; William A. Donovan, John M. Henske, Don G. Mitchell, Clark Daugherty, C. Edgar Schabacker, Jr., William P. Panny, John M. Albertine.

Areas of Work: Designs and manufactures ultraprecision mechanisms for industry and government. The Industrial Process Equipment segment of the business produces heat transfer products for manufacturers of gas compressors, steam and gas turbines, diesel engines, compressed air dryers, air conditioning equipment and hydraulic systems. The Electronic Components segment manufactures and sells high reliability inductive coils and electromagnetic clutches and brakes to the industrial, computer, military, aerospace and business machine markets.

Divisions:

Basco Division
2777 Walden Avenue
Buffalo, New York 14225
(716) 684-6700

Designs and manufactures standard and custom heat transfer products, such as heat exchangers and condensers for commercial and industrial use.

Delevan Division
270 Quaker Road
East Aurora, New York 14052
(716) 652-3600

Designer and manufacturer of microminiature coil and transformer products used mainly by computer manufacturers, producers of data communication systems, and as part of the electronics necessary for governmental space probes. Other products include miniature electromechanical brakes and clutches used in data processing equipment, aerospace control systems, voting machines and numerically-controlled machine tools.

Deltran Division
4401 Genesee Street
Buffalo, New York 14225
(716) 631-9800

Designs and manufactures electromechanical clutches and brakes for manufacturers of business machines, computer peripherals, aircraft and medical test equipment.

Air Cooled Applications Division
465 Ohio Street
Lockport, New York 14094
(716) 433-3053

Delcap Division
274 Sandusky Road
Arcade, New York 14009
(716) 496-5755

API of Florida Division
5801 Silver Springs Boulevard
Silver Springs, Florida 32688
(904) 236-1261

Rapidsyn Division
Taylor Road
Buffalo, New York 14043
(716) 684-5900
and
3229 Roymar Road
Oceanside, California 92054
(619) 439-7500

Designs, manufactures, and sells step motors to the machine tool, robotics, computer hardware, business machine, aircraft, aerospace and military related industries.

Resistive Products Division
274 Sandusky Road
Arcade, New York 14009
(716) 496-5755

Subsidiaries:

American Precision Industries (U.K.) Ltd.
Aldwych House
Aldwych
London WC2B 4JP, England

API Development Corporation
2777 Walden Avenue
Buffalo, New York 14225

Nitta-Apitron Co., Ltd. (50% owned)
55-1 2Chome, Honmachi, Higashi-Ku
Osaka 541, Japan

API-FS Corporation
5 Norre Gade
St. Thomas
U.S. Virgin Islands

API of Canada, Inc.
698 Wilson Avenue
Kitchener, Ontario
Canada N2C 1H9

Transfer Agent(s):

Marine Midland Bank, N.A.
New York, New York 10017

Stock Exchange(s): American

Ticker Symbol: APR

Number of Employees:

1985 620

Sales and Earnings

	Net Sales	Net Income
1985	$ 34,542,000	$ 1,595,000
1984	38,601,000	2,866,000
1983	28,502,000	1,549,000
1982	30,610,000	2,157,000
1981	36,462,000	2,727,000

	No. of Com. Shares +	Earn. per Share #
1985	3,089,000	$ 0.52
1984	3,074,000	0.93
1983	3,051,000	0.51
1982	3,030,000	0.71
1981	3,030,000	0.90

+ Adjusted to reflect stock dividends and stock splits.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends and stock splits.

Revenues By Line of Business

	1985	1984	1983
Indust. process equip.	42.5%	32.5%	45.5%
Electronic components	55.5	65.5	52.5
General corporate	2.0	2.0	2.0
Total	100.0%	100.0%	100.0%

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.23	10%	—
1984	0.19	—	3-for-2
1983	0.17	20%	—
1982	0.16	—	—
1981	0.15	—	3-for-2

† Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 18,936,000	$ 6.13
1984	17,958,000	5.84
1983	15,563,000	5.10
1982	14,464,000	4.77
1981	12,796,000	4.22

† Adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended	12/27/85	12/28/84
Net sales	$ 34,542,000	$ 38,601,000
Cost of sales	22,064,000	24,106,000
Expenses	8,758,000	9,293,000
Other expense (income)	973,000	(354,000)
Income before taxes	$ 2,747,000	$ 5,556,000
Income taxes	1,152,000	2,690,000
Net Income	$ 1,595,000	$ 2,866,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,130,000 in 1985 and $878,000 in 1984.

Assets

As of	12/27/85	12/28/84
Cash & cert. of deposit	$ 3,753,000	$ 5,382,000
Accts. & notes receiv., net	4,708,000	5,468,000
*Inventories	5,182,000	5,773,000
Deferred taxes and other	2,001,000	774,000
Current Assets	$ 15,644,000	$ 17,397,000
#Fixed assets	5,420,000	3,995,000
Other assets	2,770,000	762,000
Total Assets	$ 23,834,000	$ 22,154,000

Liabilities

Long-term debt, curr.	$ 231,000	$ 73,000
Accts. payable	1,724,000	2,004,000
Accruals	417,000	596,000
Accrued payroll	699,000	1,090,000
Dividends payable	185,000	168,000
Income taxes	—	68,000
Curr. Liabilities	$ 3,256,000	$ 3,999,000
Long-term debt	1,642,000	197,000
+ Common stock	2,061,000	1,863,000
Add. paid-in capital	11,064,000	7,198,000
Retained earnings	5,839,000	8,897,000
Treasury stock	(28,000)	—
Total Liabilities & Shareholders' Equity	$ 23,834,000	$ 22,154,000

American Precision Industries Inc.

* At lower of cost (Industrial process equipment at LIFO, electronic components at FIFO) or market.
# Less accumulated depreciation.
+ $.66⅔ par value.

Statistical Summary

%Income before Taxes to Sales	7.95	14.39
%Net Income to Sales	4.62	7.42
%Net Income to Equity	8.42	15.96
Sales to Inventories	6.67	6.69
Debt to Equity	0.10	0.02
Working Capital	$12,388,000	$13,398,000
Current Ratio	4.80	4.35
Shareholders' Equity	$18,936,000	$17,958,000

American Science and Engineering, Inc.

Fort Washington
Cambridge, Massachusetts 02139
(617) 868-1600

Officers: Martin Annis, chairman of the board & president; Clayton R. Annis, v.p.-finance; Billie J. Burnett, treasurer; Carolus M. Cobb, v.p.-chief chemist; Sylvia Cox, clerk; Ted E. Kirchner, v.p.-program development; Allen S. Krieger, sr. v.p.; James E. Powers, sr. v.p.; Jacob Shekel, v.p.-engineering; Paul J. Bjorkholm, v.p.-research; Marie T. Spaulding, v.p.-personnel.

Directors: Martin Annis, Carolus M. Cobb, Alvin S. Hochberg, Herman Feshbach, Ismael Escobar

Divisions:

Instrument Systems Division
Cambridge, Massachusetts 02139
(617) 868-1600

Designs and manufactures high technology products including MICRO DOSE® X-Ray Inspection Systems for the detection of contraband and X-Ray systems for medical instrumentation.

ASEP Division
Cambridge, Massachusetts 02139
(617) 868-1600

Produces load management systems under the trade name ASEP®. This system is bidirectional, offers load status, automatic time-of-use metering, automatic load survey, and load control.

Space Systems Division
Cambridge, Massachusetts

Designs and builds scientific equipment payloads for NASA, primarily in the field of X-ray astronomy.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02106

Stock Exchange(s): American

Ticker Symbol: ASE

Number of Employees:

1984	250	1982	191
1983	193	1981	218

Sales and Earnings

	Total Revenues +	Net Income #
1984	$ 19,127,000	$ (952,000)
1983	11,504,000	(3,413,000)
1982	15,418,000	271,000
1981	24,962,000	853,000
1980	24,352,000	(550,000)

	No. of Com. Shares ‡	Earn. per Share ‡#
1984	2,821,000	$ —
1983	2,806,000	—
1982	2,813,000	0.10
1981	2,836,000	0.30
1980	2,810,000	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $123,000 ($0.05 per share) in 1981.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1984	1983
Energy & space systems	$ 11,020,000	$ 7,361,000
X-ray inspection & med. systems	8,075,000	7,113,000
Corporate	32,000	30,000
Total	$ 19,127,000	$ 11,504,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	—
1982	—	5%	—
1981	—	—	—
1980	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 7,787,000	$ 2.61
1983	8,008,000	2.85
1982	11,428,000	4.07
1981	11,152,000	3.97
1980	10,109,000	3.65

Income Account *

Year ended March 31	1984	1983
Total revenue	$ 19,127,000	$ 11,504,000
Cost of sales & contracts	14,105,000	9,989,000
Expenses	5,583,000	4,440,000
Oper. loss	$ (561,000)	$ (2,925,000)
Other expenses	391,000	897,000
Loss before taxes	$ (952,000)	$ (3,822,000)
Tax credit	—	(409,000)
Net Loss	$ (952,000)	$ (3,413,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,299,000 in 1984 and $863,000 in 1983.

Assets

As of March 31	1984	1983
Cash	$ 110,000	$ 43,000
Accts. receiv., net	2,960,000	1,985,000
Subscrip. receiv.	238,000	—
Unbilled costs & fees	672,000	377,000
Prepaid inc. taxes	—	147,000
*Inventories	4,052,000	4,080,000
Prepaid expenses	262,000	48,000
Current Assets	$ 8,294,000	$ 6,680,000
#Fixed assets	11,208,000	11,923,000
Other assetss	'1,126,000	1,576,000
Total Assets	$ 20,628,000	$ 20,179,000

Liabilities

Notes payable to bank	$ 3,050,000	$ 2,300,000
Long-term debt, curr.	95,000	93,000
Accts. payable	2,339,000	1,550,000
Accruals	1,286,000	1,604,000
Income taxes	19,000	7,000
Cust. deposits	308,000	572.000
Curr. Liabilities	$ 7,097,000	$ 6,126,000
Mortg. note payable	5,500,000	5,485,000
Long-term debt	244,000	333,000
Other	—	227,000
+Common stock	2,011,000	2,008,000
Comm. stock subscrip.	120,000	—
Add. paid-in capital	8,778,000	8,170,000
Deficit	(2,851,000)	(1,899,000)
Treasury stock	(271,000)	(271,000)
Total Liabilities & Shareholders' Equity	$ 20,628,000	$ 20,179,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.66⅔ par value.

Statistical Summary

Working Capital	$1,197,000 *	$ 554,000
Current Ratio	1.17	1.09
Shareholders' Equity	$7,787,000	$8,008,000

American Standard Inc.

40 West 40th Street
New York, New York 10018
(212) 703-5100

Officers: William B. Boyd, chairman of the board & chief executive officer; William G. Roth, president & chief operating officer; James C. Huntington, Jr., sr. v.p.-human resources & operations services; John F. Geer, v.p., general counsel & secretary; Alan C. Root, sr. v.p.; Dale F. Maycen, v.p. & treasurer; Fred A. Allardyce, v.p. & controller; Jeanne M. Golly, v.p.-corporate communications; Richard H. Francis, sr. v.p. & chief financial officer; Harry H. Steiner, v.p. & tax counsel.

Directors: E. Newton Cutler, Jr.*, James D. Hodgson, William A. Marquard*, William B. Boyd*, Keith D. Bunnel, Dirk de Bruyne*, Donald J. Phillips, Paul Bancroft, III, Richard A. Lenon, Richard M. Cyert, Edward Donley*, William J. Young, Louis Fernandez, James F. Lardner, William G. Roth, Eugene J. Sullivan.

*Member of the Executive Committee.

Areas of Work: The Company produces railway, mass transit, and automotive braking and control devices; plumbing and other building products; industrial fluid power products; bank security systems; graphic products; and air conditioning equipment.

Divisions and Subsidiaries:

Transportation Products Operations
3 Gateway Center
Pittsburgh, Pennsylvania 15222

Automotive Products Group
P.O. Box 91 12 80 D 3000
Hannover 91, Germany

WABCO Fahrzeugbremsen G.m.b.H.
Hannover, Germany

WABCO Westinghouse, A.B.
Nova, Sweden

WABCO Westinghouse, S.A.
Clay-Souilly, and Freinville-Sevran, France

WABCO Freni Veicoli Industriali, S.p.A.
Milan, Italy

WABCO Westinghouse G.m.b.H.
Vienna, Austria

WABCO Westinghouse A.G.
Bern, Switzerland

WABCO Westinghouse
Rotterdam, The Netherlands

Clayton Dewandre Holdings Limited
Leeds, Rugby, Portsmouth, Lincoln and Lutterworth, England

WABCO-Freios para Autoveiculos Ltda.
Sao Paulo, Brazil

Industrial Products Group
5820 Main Street
Williamsville, New York 14221

WABCO Fluid Power Division
Lexington, Kentucky

American-Standard Heat Transfer Division
Buffalo, New York

American-Standard Industrial Products Division
Dearborn, Michigan

American-Standard Industrial Products Division
Canada

WABCO Westinghouse S.A.
France

WABCO Tecniche di Automazione, S.p.A.
Italy

WABCO Westinghouse (U.K.) Ltd.
England

WABCO Steuerungstechnik G.m.b.H. & Co.
West Germany

Railway Products Group
3 Gateway Center
Pittsburgh, Pennsylvania 15222

Westinghouse Air Brake Division
Wilmerding, Pennsylvania

Union Switch & Signal Division
Swissvale, Pennsylvania

Cardwell Westinghouse Division
Chicago, Illinois

WABCO Ltd.
Hamilton, Ontario, Canada

Canadian Cardwell Division
Fresinbra Industrial, S.A.
Brazil

WABCO Westinghouse, S.A.
France

WABCO Westinghouse Compagnia Freni, S.p.A.
Italy

WABCO Westinghouse
Belgium

WABCO Westinghouse Compagnia Italiana
Segnali, S.p.A.
Italy

Security and Graphic Products Operations
7007 Preston Road
Dallas, Texas 75205

Mosler Security Systems Group
1561 Grand Boulevard
Hamilton, Ohio 45012

The Mosler Safe Company
Hamilton, Ohio

Airmatic & Electronic Systems Division
Wayne, New Jersey

Bank & Commercial Division
Hamilton, Ohio

Counter Systems Division
Buffalo, New York

Dropository Division
Grandview, Missouri

Mosler International
Hamilton, Ohio

Mosler, S.A. de C.V., Mexico
Mosler de Puerto Rico
Mosler Canada

Graphic Products Group
11350 McCormick Road
Hunt Valley, Maryland 21031

Bank Check Division
Hunt Valley, Maryland

American Bank Stationery Co.
Hunt Valley, Maryland

Bankers Lithographing Company
Pittsburgh, Pennsylvania

Business Forms Division
Hunt Valley, Maryland

Bedinghaus Business Forms
Cincinnati, Ohio

Pioneer Business Forms
Tacoma, Washington

Woehrmyer Business Forms
Denver, Colorado

Marketing Services/Commercial Printing Division

Adcrafters, Inc.
Baltimore, Maryland

Frye & Smith, Ltd.
San Diego, California

Lebanon Valley Offset Co.
Annville, Pennsylvania

Stern Majestic Press
Philadelphia, Pennsylvania

Twin City Press
North Plainfield, New Jersey

Keller-Crescent Co.
Evansville, Indiana

Building Products Operations
P.O. Box 2003
New Brunswick, New Jersey 08903

United States Plumbing Products Group
P.O. Box 2003
New Brunswick, New Jersey 08903

Industrial Products

European Plumbing Products Group
Boulevard du Souverain 348
1160 Brussels, Belgium

Ideal-Standard Limited
Hull, England

Ideal-Standard
Belgium

Ideal-Standard G.m.b.H.
Bonn, West Germany

Ideal-Standard S.A.I.
Athens, Greece

Ideal-Standard S.p.A.
Milan, Italy

Automotive and Industrial Products Operations

Building Specialties Group
9017 Blue Ash Road
Cincinnati, Ohio 45242

Modernfold
New Castle, Indiana

The Majestic Company
Huntington, Indiana

Steelcraft
Cincinnati, Ohio

International and Export Group
P.O. Box 2003
New Brunswick, New Jersey 08903

American-Standard Export Division
New Brunswick, New Jersey

American-Standard
Toronto, Canada

Ideal-Standard
Sao Paulo, Brazil

Ideal-Standard S.A. de C.V.
Mexico City, Mexico

American Standard Credit, Inc.
Peoria, Illinois

Air Conditioning Products

The Trane Company
La Crosse, Wisconsin

Develops, manufactures, and sells air conditioning equipment and related controls designed for use in central air conditioning systems for commercial, institutional, industrial and residential buildings.

Transfer Agent(s):
Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: AST

Number of Employees:

1985	40,000	1982	29,800
1984	41,900	1981	35,100
1983	28,500		

Sales and Earnings

	Revenues + (000's)	Net Income (000's)
1985	$ 2,912,400	$ 22,051
1984	2,681,200	97,080
1983	1,540,600	62,585
1982	1,478,100	35,600
1981	1,713,600	111,500

	No. of Com. Shares #	Earn. per Share #
1985	39,383,000	$ 0.56
1984	37,369,000	2.60
1983	27,582,480	2.27
1982	27,362,295	1.30
1981	27,366,709	4.07

+ Of continuing operations only.

Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Air conditioning products	$ 1,316,000	$ 1,084,000
Transportation products	724,000	731,000
Building products	710,000	701,000
Security & graphic products	162,000	165,000
Total	$ 2,912,000	$ 2,681,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.60	—	—
1984	1.60	—	—
1983	1.60	—	—
1982	2.05	—	—
1981	2.20	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1985	$ 921,446,000	$ 23.40
1984	923,801,000	24.72
1983	600,599,000	21.77
1982	605,938,000	22.14
1981	655,659,000	23.96

‡ After allowing for preferred stock at aggregate liquidating values.

+ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 2,912,438	$ 2,681,192
Cost of sales	2,203,209	2,051,037
Expenses	526,126	455,101
Other income	(26,224)	(26,200)
Interest expense	40,541	54,798
Restruc. prov.	185,000	—
Inc. (loss) bef. taxes	$ (16,214)	$ 146,456
Income taxes (credit)	(13,066)	54,859
Inc. (loss)-cont. oper.	$ (3,148)	$ 91,597
Inc.-discont. oper.	25,199	5,483
Net Income	$ 22,051	$ 97,080

* Included in Costs and Expenses. Depreciation: $96,685,000 in 1985 and $81,823,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & securities	$ 137,979	$ 75,146
Accts. receiv., net	524,985	586,842
Future inc. tax benefits	40,167	36,335
*Inventories	454,902	500,938
Other assets	26,834	27,709
Assets held for sale	214,366	—
Current Assets	$ 1,399,233	$ 1,226,970
#Fixed assets	748,062	849,307
Other assets	65,507	84,573
Intangibles	56,878	119,070
Total Assets	$ 2,269,680	$ 2,279,920

Liabilities
(000's)

Loans payable	$ 12,722	$ 30,208
Long-term debt, curr.	16,892	17,232
Accts. payable	247,668	229,234
Accruals	243,401	230,112
Accrued payroll	137,443	123,829
Income taxes	28,526	43,207
Curr. Liabilities	$ 686,652	$ 673,822
Long-term debt	328,617	413,344
Reserves	166,249	109,997
Deferred inc. taxes	36,291	68,055
Other liabilities	128,025	88,501
+ Preferred stock	1,346	1,353
+ + Common stock	39,302	39,096
Add. paid-in capital	401,197	397,115
Retained earnings	551,100	591,892
Foreign curr. trans.	(69,099)	(103,255)
Total Liabilities & Shareholders' Equity	$ 2,269,680	$ 2,279,920

* At lower of cost (LIFO) or realizable value.
# Less accumulated depreciation.
+ $100 par value, 7% cumulative.
+ + $1 par value.

Statistical Summary

%Net Income to Equity	2.39	10.48
Sales to Inventories	6.40	5.35
Debt to Equity	0.39	0.50
Working Capital	$712,581,000	$553,148,000
Current Ratio	2.04	1.82
Shareholders' Equity	$923,846,000	$926,201,000

American Telephone & Telegraph Company

550 Madison Avenue
New York, New York 10022
(212) 605-5500

Officers: Charles L. Brown, chairman of the board; James E. Olson, president & chief operating officer; Charles Marshall, Morris Tanenbaum, exec. v.p.'s; Howard J. Trienens, sr. v.p. & gen. counsel; James R. Billingsley, sr. v.p.-federal regulation; H. Weston Clarke, Jr., sr. v.p.-personnel; Edward M. Block, sr. v.p.-public relations & employee information; John L. Segall, sr. v.p.-corp. strategy & development; Virginia A. Dwyer, sr. v.p.-finance; Robert M. Kavner, sr. v.p. & chief financial officer; Gerald M. Lowrie, sr. v.p.-public affairs; Frank S. Vigilante, group v.p.-data processing & corp. telecommunications; Robert S. Kern, group v.p.-corp. operations planning & development; William E. Ebben, group v.p.-contract services; Lyndell L. Christensen, corp. v.p. & secretary; C. Perry Colwell, corp. v.p. & controller; S. Lawrence Prendergast, corp. v.p. & treasurer.

Directors: Charles L. Brown*, Howard H. Baker, Jr., Catherine B. Cleary, Philip M. Hawley, Edward G. Jefferson, Belton K. Johnson, Rawleigh Warner, Jr.*, James H. Evans*, James E. Olson, Peter E. Haas, Juanita M. Kreps, Donald S. Perkins, Henry B. Schacht, Thomas H. Wyman, Robert Allen, Charles Marshall, Michael I. Sovern, Morris Tanenbaum, Joseph D. Williams.

* Member of the Executive Committee.

Areas of Work: The company has been reorganized into two sectors: AT&T Communications provides long distance services throughout the United States and to most of the rest of the world; AT&T Technologies are business groups producing network systems, components and electronic systems, computers, business information systems, consumer products for home and business and systems for the Federal government. Worldwide business interests are managed by AT&T International. Bell Laboratories, a research and development subsidiary, serves both sectors. The company also operates 900 phone centers selling telephones and related equipment.

Divisions and Subsidiaries:

AT&T Communications
Provides inter- and intrastate communication long distance services between telephone company boundaries as well as service to some 200 countries and territories around the globe.

AT&T Technologies, Inc.
Encompasses seven lines of business, including former subsidiary Western Electric. These segments are: AT&T Bell Laboratories, Network Systems, Information Systems, Consumer Products, Technology Systems, and AT&T International.

American Transtech, Inc.
Provides shareholder services.

AT&T International, Inc.

AT&T Bell Laboratories, Inc.

AT&T Information Systems

AT&T Resource Management

AT&T Credit Corporation

Transfer Offices:

American Transtech
P.O. Box 45048
Jacksonville, Florida 32232

Stock Exchange(s): New York, Boston, Philadelphia, Pacific, Midwest, London.

Ticker Symbol: T

Number of Employees:

1985	337,600	1982	991,596
1984	365,200	1981	1,000,000
1983	966,000		

Note: On Jan. 1, 1984, AT&T was required by Court order to divest those parts of the Bell System operating telephone companies that provided local exchange and exchange access services and printed directory advertising. As a consequence of divestiture, current financial results are not comparable to those prior to 1984.

Sales and Earnings

	Operating Revenues (000's)	Net Income (000's)
1985	$ 34,910,000	$ 1,557,000
1984	33,188,000	1,370,000
1983*	70,319,000	249,000
1982*	65,866,000	7,279,000
1981*	58,655,000	6,823,000

	No. of Com. Shares #	Earn. per Share #
1985	1,057,900,000	$ 1.37
1984	1,010,000,000	1.25
1983*	937,000,000	0.13
1982*	850,000,000	8.40
1981*	788,000,000	8.47

* Pre-divestiture.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.20	—	—
1983	5.85	—	—
1982	5.40	—	—
1981	5.40	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
12/31/85*	$ 14,633,300	$ 13.83
12/31/84*	13,762,900	13.63
1/1/84*	12,367,400	13.20

* Post-divestiture.
# Based on the average number of shares outstanding.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Sales of serv.	$ 17,267,600	$ 15,780,800
Sales of prods.	11,853,100	10,189,400
Rental revenues	5,788,800	7,217,300
Total oper. revenues	$ 34,909,500	$ 33,187,500
Cost of service	8,086,800	8,199,400
Cost of prod.	7,614,500	6,405,000
Cost of rentals	2,889,400	2,885,300
Expenses	13,332,700	13,403,600
Other income	(251,800)	(524,500)
Interest expense	691,500	867,300
Income before taxes	$ 2,546,400	$ 1,951,400
Income taxes	989,600	581,500
Net Income	$ 1,556,800	$ 1,369,900

Assets
(000's)

As of	12/31/85	12/31/84
Cash & temp. cash invest.	$ 2,213,700	$ 2,139,900
Accts. receiv., net	8,996,100	9,370,800
*Inventories	4,759,300	4,789,200
Def. income taxes	785,200	751,400
Other curr. assets	163,300	281,700
Current Assets	$ 16,917,600	$ 17,333,000
Investments	811,100	421,700
#Fixed assets	22,112,900	21,015,000
Other assets	620,900	1,056,900
Total Assets	$ 40,462,500	$ 39,826,600

Liabilities
(000's)

Accts. payable	$ 4,942,800	$ 5,075,700
Accrued vac. compens.	1,915,000	2,113,800

Long-term debt, curr.	1,437,400	850,100
Dividends payable	347,800	339,200
Other curr. liab.	2,844,500	2,887,700
Curr. Liabilities	$ 11,487,500	$ 11,266,500
Long-term debt	7,697,800	8,717,500
Other liabilities	398,300	582,700
Deferred inc. taxes	2,870,600	2,000,700
Unamort. invest. tax credit	1,615,800	1,725,400
Other deferred credits	302,100	277,000
Redeem. preferred stock	1,457,100	1,493,900
+ Common stock	1,069,300	1,037,700
Add. paid-in capital	8,482,700	7,843,300
Retained earnings	5,081,300	4,881,900
Total Liabilities & Shareholders' Equity	$ 40,462,500	$ 39,826,600

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.75	5.88
%Net Income to Sales	9.02	4.13
%Net Income to Equity	10.64	9.95
Debt to Equity	0.62	0.70
Working Capital	$ 5,430,100,000	$ 6,089,400,000
Current Ratio	1.47	1.54
Shareholders' Equity	$14,633,300,000	$13,762,900,000

Ametek, Inc.

21st Floor
410 Park Avenue
New York, New York 10022
(212) 935-8640

Operations Headquarters:
Station Square Two
Paoli, Pennsylvania 19301
(215) 647-2121

Officers: John H. Lux, chairman of the board and chief executive officer; Robert L. Noland, president; Gerald G. Loehr, exec. v.p.-Western operations; John P. Dandalides, exec. v.p.-Eastern operations; Robert F. Lane, exec. v.p. & asst. to president; Neal R. Stark, v.p.-compliance; Robert A. Russell, v.p.-marketing; Ferenc J. Schmidt, v.p.-technical director; Murray A. Luftglass, sr. v.p.-corporate development; Allan Kornfeld, sr. v.p. & chief financial officer; Otto W. Richards, comptroller; Wallace E. Cowan, secretary; Robert J. Coffman, treasurer & asst. secretary; Alfred Schaff, v.p.-electronics development.

Directors: Hulbert S. Aldrich, Helmut N. Friedlaender, Wallace E. Cowan, Samuel Hoffman, Charles D. Klein, John H. Lux, Robert L. Noland, Anthony A. Sirna III.

Areas of Work: A diversified manufacturer producing capital goods and components used in consumer products through its four operating groups: Electro-mechanical, Precision Instruments, Process Equipment, and Industrial Materials.

Divisions:

Electro-Mechanical Group

Lamb Electric
627 Lake Street
Kent, Ohio 44240
(216) 673-3451
Fractional horsepower electric blower, gear and servo motors.

Eastport International
501 Prince George's Center Blvd.
Upper Marlboro, Maryland 20772
(301) 249-3300
Electrol/acoustic systems, field operation and maintenance of unmanned undersea vehicles.

Ametek Offshore Limited
Aberdeen, Scotland
Production and maintenance of unmanned submarines.

Los Angeles Die Casting
340 Crocker Street
Los Angeles, California 90013
(213) 624-2322
Custom aluminum and zinc die-casting.

Straza
790 Greenfield Drive
El Cajon, California 92022
(619) 442-3451
Aerospace components, electro-acoustic and cryogenic systems.

Dynamics Division
5649 Peck Road
Arcadia, California 91006
(818) 442-5981
Manufactures electronic power supplies and motors.

Offshore Research & Engineering
41 Acro Camino
Santa Barbara, California 93160
(805) 683-2151
Off-shore systems engineering.

Precision Instruments Group

McCrometer
3255 W. Stetson Avenue
Hemet, California 92343
(714) 652-6811
Specialty flowmeters.

Hunter Spring
One Spring Avenue
Hatfield, Pennsylvania 19440
(215) 822-2971
Patented springs, wire forms and reels.

Controls
860 Pennsylvania Boulevard
Feasterville, Pennsylvania 19047
(215) 355-6900
Electronic-pneumatic instruments, recorders, controllers.

Mansfield & Green
8600 Somerset Drive
Largo, Florida 33543
(813) 536-7831
Pressure testing and calibration instruments.

Microelectronics
605 S. Douglas Street
El Segundo, California 90245
(213) 640-2860
Semiconductor chip design and processing, components for solid-state instruments.

U.S. Gauge
900 Clymer Avenue
Sellersville, Pennsylvania 18960
(215) 257-6531
Aircraft, automotive and industrial pressure and temperature instruments.

U.S. Gauge
450 Polk Street
Bartow, Florida 33930
(813) 534-1504
Pressure and temperature gauges, aircraft and automotive instrumentation.

Rodan
2905 Blue Star Street
Anaheim, California 92806
(714) 630-0081
Thermisters, electronics.

Thermox Instruments
150 Freeport Road
Pittsburgh, Pennsylvania 15238
(412) 828-9040
Oxygen measuring instruments and combustibles analyzers.

Process Equipment Group

Heat Transfer Equipment
2300 W. Marshall Drive
Grand Prairie, Texas 75050
(214) 647-2626
Heat exchangers.

U.S. Bellows
9484 Mission Park Place
Santee, California 92071
(619) 449-0202
Metal and fabric expansion joints.

Valley Foundry
2510 S. East Avenue
Fresno, California 93706
(209) 233-6135
Produces winery equipment.

Schutte & Koerting
2233 State Road
Bensalem, Pennsylvania 19020
(215) 639-0900
Jet apparatus, flow measuring instruments, valves and desuperheaters.

Process Equipment
1420 Hill Street
El Cajon, California 92022
(619) 449-0205
Tolhurst centrifuges, fabrics for filtration equipment.

Industrial Materials Group

Pacific Extrusion
1715 W. Beach Street
Watsonville, California 95076
(408) 724-2244
Extruded and custom-finished aluminum for automotive aircraft, appliance and communications industries.

Aluminum Extrusion
3042 Treadwell Street
Los Angeles, California 90065
(213) 255-1511
Aluminum extrusions.

Plymouth Products
502 Indiana Avenue
Sheboygan, Wisconsin 53081
(414) 457-9435
Proprietary plastic products for utility and traffic control uses; custom molding for original equipment manufacturers.

Westchester Plastics
14097 Cemetery Road
Waphkoneta, Ohio 45895
(419) 738-2141
Color compounding of plastic and elastomeric raw materials.

Westchester Plastics
Green Acres Industrial Park
Nesquehoning, Pennsylvania 18240
(717) 645-2191
Custom-formulated industrial plastic compounds.

Special Filaments
8335 Telegraph Road
Odenton, Maryland 21113
(301) 569-4500
Monofilaments and thermoplastic materials.

Silicon Materials
999 East Arques Avenue
Sunnyvale, California 94086
(408) 965-9890
Supplier of semiconductor materials.

Microfoam
265 Route 202
Chaddsford, Pennsylvania 19317
(215) 358-1180
Produces low-density polypropylene foam packaging material.

Haveg
900 Greenbank Road
Wilmington, Delaware 19808
(302) 995-0400
Corrosion-resistant tanks, towers, valves and piping.

Subsidiaries & Affiliates:

AMETEK (Canada) LTD.
Montreal, Quebec, Canada
Laundry equipment for commercial, hospital and hotel installations; drycleaning equipment.

AMETEK, G.m.b.H.
Wiesbaden, West Germany

Ametek, Inc.

Management and marketing for AMETEK's foreign operations.

Ketema, Ltd.
Hamilton, Bermuda

Metron, S.A.
Naucalpan de Juarez, Mexico
AMETEK-licensed instruments in Latin America.

Acquisition(s):

Houston Instrument
8500 Cameron Road
Austin, Texas 78753
(512) 835-0900
Computer graphic peripherals, including CAD and business graphics plotters and digitizers, plus analog recorders.

Orionics, Inc.
34368 E. Frontage Road
Bozeman, Montana 59715
(406) 586-8256
Developer of laser-based instruments used in the assembly, repair and testing of fiber optic communication cable.

Panalarm International, Inc.
7401 N. Hamlin Avenue
Skokie, Illinois 60076
(312) 675-2500
Supplier of electrical/electronic and fiber optic process monitoring instruments.

Carsonite International Inc.
2900 Lockheed Way
Carson City Nevada 89701
(702) 883-5104
Produces composite materials components for highway, utility and recreation areas.

Dycor Electronics, Inc.
Produces computerized mass spectrometers for gas analysis in industrial and laboratory applications.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10015

Stock Exchange(s): New York, Pacific

Ticker Symbol: AME

Number of Employees:

1985	6,600	1982	5,600
1984	6,100	1981	7,100
1983	5,900		

Sales and Earnings

	Net Sales	Net Income #
1985	$ 502,788,757	$ 34,935,112
1984	503,925,648	42,696,640
1983	448,152,359	37,753,023
1982	423,651,210	27,263,502
1981	448,086,239	26,487,753

	No. of Com. Shares ‡	Earn. per Share † #
1985	22,016,352	$ 1.59
1984	21,875,219	1.96
1983	21,713,370	1.74
1982	21,920,572	1.25
1981	21,771,668	1.22

‡ Adjusted to reflect stock split.
† Based on the average number of shares outstanding adjusted to reflect stock split.
# Including extraordinary gain of $5,671,423 ($0.26 per share) in 1983.

Revenues By Line of Business

	1985	1984
Electro-mechanical	$ 176,180,000	$ 175,889,000
Process equipment	55,931,000	48,929,000
Precision instruments	133,827,000	133,252,000
Industrial materials	136,851,000	145,856,000
Total	$ 502,789,000	$ 503,926,000

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1985	$0.85	—	—
1984	0.80	—	—
1983	0.70	—	2-for-1
1982	0.60	—	—
1981	0.52½	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 219,692,852	$ 9.98
1984	200,912,456	9.18
1983	175,683,331	8.09
1982	159,082,936	7.26
1981	143,436,505	6.59

‡ Adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1985	1984
Net sales	$ 502,788,757	$ 503,925,648
Cost of sales	370,063,332	370,108,068
Expenses	61,431,078	57,526,685
Depreciation	14,609,835	14,479,161
Other income	(5,083,600)	(7,863,906)
Income before taxes	$. 61,768,112	$ 69,675,640
Income taxes	26,833,000	26,979,000
Net Income	$ 34,935,112	$ 42,696,640

Assets

As of Dec. 31	1985	1984
Cash	$ 59,894,814	$ 76,894,337
Accts. & notes receiv., net	75,263,090	61,943,846
*Inventories	61,554,878	48,792,146
Prepaid expenses & deposits	6,049,970	6,211,115
Current Assets	$ 202,762,752	$ 193,841,444
#Fixed assets	119,860,155	100,204,903
Other assets	78,007,664	43,015,669
Total Assets	$ 400,630,571	$ 337,062,016

Liabilities

	1985	1984
Notes payable	$ 28,000,000	$ —
Long-term debt, curr.	6,027,000	5,565,000
Accts. payable	25,911,073	24,023,529
Accruals	35,551,058	33,507,525
Income taxes	5,937,453	9,618,168
Curr. Liabilities	$ 101,426,584	$ 72,714,222
Oong-term debt	38,530,135	41,141,338
Deferred inc. taxes	40,981,000	22,294,000
+Common stock	22,972,120	22,830,287
Add. paid-in capital	6,141,793	4,174,347
Retained earnings	203,988,213	187,736,616
Treasury stock	(12,119,632)	(12,103,794)
Loss on investment	(1,289,642)	(1,725,000)
Total Liabilities & Shareholders' Equity	$ 400,630,571	$ 337,062,016

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.29	13.83
%Net Income to Sales	6.95	8.47
%Net Income to Equity	15.90	21.25
Sales to Inventories	8.17	10.33
Debt to Equity	0.20	0.20
Working Capital	$101,336,168	$121,127,222
Current Ratio	2.00	2.67
Shareholders' Equity	$219,692,852	$200,912,456

AMP Incorporated/Pamcor, Inc.

470 Friendship Road
Harrisburg, Pennsylvania 17105
(717) 564-0100

Officers: Walter F. Raab, chairman of the board & chief executive officer; Harold A. McInnes, president; W. Bennett Conner, v.p.-director of marketing; James E. Marley, v.p.-operations; Mark L. Miller, treasurer; Benjamin Savidge, v.p. & controller; Hugo A. Walfred, secretary & general legal counsel; Gerald F. Engichart, v.p.-international; Joseph P. Sweeney, v.p.-technology.

Directors: J.D. Brenner*, Alexander P. Hixon, R.E. Jordan, Walter F. Raab*, R.D. DeNunzio, J.J. Burdge, Harold A. McInnes*, William S. West, C.J. Fredricksen*, W.E.C. Dearden.

* Member of the Executive Committee.

Areas of Work: The company produces electrical and electronic connections, switching and programming devices - including solderless terminals, splices, packaging and interconnection devices, multiple and coaxial connectors, switches and programming systems - and the application tools and machines to attach these devices to wires, cables, or circuit boards. It also produces electronic power units and other electrical/electronic components.

Subsidiaries:

AMP Products Corporation
Valley Forge, Pennsylvania

AMP Keyboard Technologies, Inc.
Milford, New Hampshire

Carroll Touch, Inc.
Austin, Texas

Mark Eyelet, Inc.
Wolcott, Connecticut

AMP of Canada, Ltd.
Toronto, Canada

AMP de France S.A.
Paris, France

AMP Holland B.V.
Hertogenbosch, The Netherlands

AMP of Great Britain Limited
London, England

AMP Italia S.p.A.
Turin, Italy

AMP Deutschland G.m.b.H.
Frankfurt, West Germany

AMP Espanola S.A.
Barcelona, Spain

AMP (Japan), Ltd.
Tokyo, Japan

Australian AMP Pty Limited
Sydney, Australia

AMP de Mexico, S.A.
Mexico City, D.F. Mexico

AMP S.A. Argentina
Buenos Aires, Argentina

AMP Finland Oy
Helsinki, Finland

AMP do Brasil Ltda.
Sao Paulo, Brazil

AMP (Schweiz) A.G.
Lucerne, Switzerland

AMP Osterreich Handelsges. m.b.H.
Vienna, Austria

AMP Norge A/S
Oslo, Norway

AMP Svenska AB
Stockholm, Sweden

AMP Singapore Pte. Ltd.
Singapore

AMP Taiwan
Taipei, Taiwan

AMP Belgium*
Brussels, Belgium

AMP Danmark*
Viby, Denmark

AMP Products Pacific Ltd.
Hong Kong

AMP Ireland Limited
Dublin, Ireland

New Zealand AMP Ltd.
Auckland, New Zealand

AMP Korea
Seoul, South Korea

* Branch of AMP-Holland B.V.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Security-holder Relations Dept.
P.O. Box 24935
Church Street Station
New York, New York 10249

The Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): New York

Ticker Symbol: AMP

Number of Employees:

1985	22,800	1982	19,750
1984	24,500	1981	19,650
1983	21,300		

Plant Footage:

1985	9,000,000 sq. ft.	1982	7,300,000
1984	8,700,000	1981	7,000,000
1983	7,900,000		

Sales and Earnings

	Net Sales	Net Income
1985	$1,636,112,000	$ 108,003,000
1984	1,812,824,000	201,282,000
1983	1,515,460,000	163,100,000
1982	1,243,438,000	118,900,000
1981	1,234,295,000	134,800,000

	No. of Com. Shares +	Earn. per Share ‡
1985	107,900,000	$ 1.00
1984	107,700,000	1.87
1983	107,500,000	1.52
1982	107,700,000	1.10
1981	107,800,000	1.25

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.72	—	—
1984	0.64	—	3-for-1
1983	0.53⅓	—	—
1982	0.46⅔	—	—
1981	0.40	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 996,900,000	$ 9.24
1984	923,200,000	8.57
1983	800,900,000	7.45
1982	714,500,000	6.63
1981	660,500,000	6.13

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$1,636,112,000	$1,812,824,000
Cost of sales	1,118,832,000	1,136,041,000
Expenses	318,346,000	307,238,000
Interest expense	17,031,000	13,621,000
Other income	(10,630,000)	(6,748,000)
Income before taxes	$ 192,533,000	$ 362,672,000
Income taxes	84,530,000	161,390,000
Net Income	$ 108,003,000	$ 201,282,000

* Included in Costs and Expenses, Depreciation: $96,438,000 in 1985 and $75,118,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & time deposits	$ 36,406,000	$ 52,038,000
Marketable securities	76,074,000	110,495,000
Receiv., net	278,857,000	264,332,000
*Inventories	348,239,000	387,653,000
Other curr. assets	30,882,000	29,780,000
Current Assets	$ 770,458,000	$ 844,298,000
Investments & other assets	28,635,000	22,697,000
#Fixed assets	750,219,000	620,380,000
Total Assets	$1,549,312,000	$1,487,375,000

Liabilities

Short-term debt	$ 152,743,000	$ 174,958,000
Accts. payable	99,891,000	108,799,000
Accruals	18,554,000	16,090,000
Accrued payroll	72,587,000	58,048,000
Accrued inc. taxes	70,628,000	97,046,000
Curr. Liabilities	$ 414,403,000	$ 454,941,000
Long-term debt	36,084,000	27,319,000
Invest. tax credit	20,695,000	16,932,000
Deferred income	17,661,000	18,569,000
Deferred inc. taxes	63,609,000	46,399,000
+Common stock	12,480,000	12,480,000
+ +Common stock	20,000	20,000
Add. paid-in capital	31,748,000	28,395,000
Cum. trans. adj.	(20,994,000)	(57,351,000)
Retained earnings	1,016,571,000	986,238,000
Treasury stock	(42,965,000)	(46,567,000)
Total Liabilities & Shareholders' Equity	$1,549,312,000	$1,487,375,000

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ No par value, AMP Incorporated.
+ + $1 par value, Pamcor, Inc.

Statistical Summary

%Income before Taxes to Sales	11.77	20.01
%Net Income to Sales	6.60	11.10
%Net Income to Equity	10.83	21.80
Sales to Inventories	4.70	4.68
Debt to Equity	0.19	0.22
Working Capital	$356,055,000	$389,357,000
Current Ratio	1.86	1.86
Shareholders' Equity	$996,860,000	$923,215,000

Analog Devices, Inc.

Two Technology Way
Norwood, Massachusetts 02062
(617) 329-4700

Officers: Ray Stata, chairman of the board & president; Joseph M. Hinchey, sr. v.p.-finance; Lawrence T. Sullivan, sr. v.p.-corporate development & gen. mgr.-Analog Devices Enterprises; Heinrich F. Krabbe, v.p.; Arnold Kanarick, v.p.-human resources; A. Graham Sterling, v.p.; Jerald G. Fishman, group v.p.-components; Joseph E. McDonough, treasurer; Melvin J. Sallen, group v.p.-sales; Paul P. Brountas, clerk.

Directors: Matthew Lorber, Ray Stata, Philip L. Lowe, Joel Moses, Gordon C. McKeague, Arthur Contas.

Areas of Work: Designs, manufactures and markets electronic components and subsystems used for the acquisition, conditioning, conversion, transmission and display of analog and digital data in precision measurement and control systems. Its products fall into three broad classes. Computer Interface products - analog-to-digital and digital-to-analog converters and accessories which interconnect physical analog data to digital computers, analog products, operational amplifiers, instrumentation amplifiers, multipliers and dividers which modify analog data; and Modular Instruments - devices such as digital panel meters which convert analog signals into digital form and display the information so that it is readable.

Divisions:

Analog Devices Semiconductor
Microelectronics Division
Computer Labs Division
Component Test Systems
Interface Products Division

Analog Devices Enterprises
Venture capital division.

Field Service Division

Digital Signal Processing - Development Labs

ADventures Limited Partnership
Small limited partnership in which ADI makes investments on behalf of another company.

Digital Signal Processing Division

Industrial Automation Division

Subsidiaries:

Analog Devices Limited
Central Avenue
East Molesey
Surrey, KT8 OSN, England

Analog Devices, GmbH
Edelsbergstrasse 8-10
D-8000 Munich 21
West Germany

Analog Devices, S.A.
204 SILIC
12, Rue Le Corbusier
Batiment "Iena"
94518 Rungis Cedex, France

Analog Devices KK
Daini Jibiki Building
7-8 Kojimachi 4-chome
Chiyoda-ku, Tokyo, Japan

Analog Devices, APS
Huer Kaer 20
2730 Herlev
Denmark

Analog Devices, Inc.

Analog Devices Benelux
Beneluxweg 27
4904 SJ Oosterhout
The Netherlands

Analog Devices Hdlsgesmbit
Meissgosse 51
A-1238 Vienna
Austria

Analog Devices International, Inc.
Justitiestraat 18
2018 Antwerp, Belgium

Analog Devices S.A.
9 Rue de Berne
1201 Geneva, Switzerland

Analog Devices BV
Raheen Industrial Estate
Limerick, Ireland

Analog Devices SRL
Via Medardo Rosso 18
20159 Milano, Italy

Analog Devices Ltd.
6 Borochov Street
Raanana, Israel 43433

Analog Devices AB
Mariehallsvagen 42
Box 20093
S-16120 Bromma, Sweden

Analog Devices Philippines, Inc.
Edison Avenue, KM-14
S. Expressway
Parangue, Metro Manila, Philippines

Analog Devices K.K. Tech Center
3210-2 Kawajiri Shiroyama-Cho
Tsukui-Gun Kanagawa, Japan

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: ADI

Number of Employees:

1985	4,789	1982	3,059
1984	4,759	1981	2,735
1983	3,661		

Plant Footage:

1985	906,800 sq. ft.	1982	610,100
1984	852,100	1981	591,000
1983	735,100		

Sales and Earnings

	Net Sales	Net Income
1985	$ 322,423,000	$ 29,748,000
1984	313,418,000	37,362,000
1983	214,037,000	18,432,000
1982	173,986,000	9,878,000
1981	156,236,000	4,589,000

	No. of Com. Shares #	Earn. per Share #
1985	34,206,000	$ 0.87
1984	33,856,000	1.10
1983	31,638,000	0.58
1982	30,054,000	0.33
1981	28,613,000	0.16

# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984	1983	1982
Intergrated circuit prods.	70%	70%	65%	64%
Assembled prods.	30	30	35	36
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	5-for-4
1984	—	—	4-for-3
1983	—	—	3-for-2
1982	—	—	5-for-4
1981	—	—	5-for-4

Common Stock Equity

	Total Equity †	Equity Per Share #
1985	$ 209,717,000	$ 6.13
1984	169,521,000	5.01
1983	134,693,000	4.26
1982	75,132,000	2.50
1981	65,323,000	2.28

† After allowing for preferred stock at liquidation value.
# Adjusted to reflect stock splits.

Income Account *

Year ended	11/2/85	11/3/84
Net sales	$ 322,423,000	$ 313,418,000
Cost of sales	150,388,000	134,064,000
Expenses	125,426,000	122,424,000
Other expense	3,109,000	572,000
Interest expense	3,474,000	1,048,000
For. curr. exp.	884,000	366,000
Income before taxes	$ 39,142,000	$ 54,944,000
Income taxes	9,394,000	17,582,000
Net Income	$ 29,748,000	$ 37,362,000

* Included in Costs and Expenses, Depreciation and Amortization: $22,973,000 in 1985 and $18,341,000 in 1984.

Assets

As of	11/2/85	11/3/84
Cash	$ 11,263,000	$ 13,809,000
Accts. receiv., net	56,499,000	60,534,000
*Inventories	77,066,000	73,189,000
Prepaid expenses	2,563,000	1,625,000
Prepaid taxes	4,550,000	2,850,000
Current Assets	$ 151,941,000	$ 152,007,000
#Fixed assets	160,827,000	112,446,000
Investments	29,174,000	24,224,000
Defer. charges & other assets	2,371,000	3,417,000
Intangibles	3,415,000	3,993,000
Total Assets	$ 347,728,000	$ 296,087,000

Liabilities

Notes payable	$ 9,628,000	$ 1,402,000
Oblig. under cap. leases	3,039,000	2,658,000
Accts. payable	19,391,000	27,603,000
Accruals	17,070,000	19,824,000
Income taxes	10,106,000	13,538,000
Curr. Liabilities	$ 59,234,000	$ 65,025,000
Long-term debt	35,021,000	23,200,000
Oblig. under cap. leases	7,922,000	6,759,000
Deferred inc. taxes	7,400,000	5,200,000
Other liabilities	368,000	643,000
+ Preferred stock	28,000	26,000
+ + Common stock	5,393,000	4,247,000
Add. paid-in capital	114,359,000	104,593,000
Retained earnings	125,071,000	95,323,000
Foreign currency translation	(1,878,000)	(3,902,000)
Treasury stock	(5,190,000)	(5,027,000)
Total Liabilities & Shareholders' Equity	$ 347,728,000	$ 296,087,000

* At lower of cost or market. LIFO cost for Irish and most U.S. inventories; remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.
+ + $0.16⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	12.14	17.53
%Net Income to Sales	9.23	11.92
%Net Income to Equity	12.51	19.13
Sales to Inventories	4.18	4.28
Debt to Equity	0.23	0.17
Working Capital	$ 92,707,000	$ 86,982,000
Current Ratio	2.57	2.34
Shareholders' Equity	$237,783,000	$195,260,000

Analogic Corporation

Centennial Drive
Peabody, Massachusetts 01961
(617) 246-0300

Officers: Bernard M. Gordon, chairman of the board & president; Bernard L. Friedman, vice chairman; John A. Tarello, sr. v.p.; M. Ross Brown, v.p.; Martyn E. Culverhouse, v.p.; Julian Soshnick, v.p. & general counsel; Lawrence M. Levy, clerk; Division & Operating vice presidents; Daniel Abenaim, Edmund F. Becker, Jr., Walter J. Bennett, Thomas J. Dempsey, Leopold Neumann, Richard F. Powell, Halfon N. Hamaoui, president-3H Industries.

Directors: Bernard M. Gordon, Bernard L. Friedman, M. Ross Brown, John A. Tarello, Martyn E. Culverhouse, Jules J. Schwartz, Gerald L. Wilson, Vessarios Chigas.

Areas of Work: Engaged in the design, manufacture, and marketing of advanced precision data conversion, and computer-based signal processing instruments and equipment, which are used to acquire, condition, translate, compute, interpret, store, transmit, or display critical data in modern industrial, scientific, medical, communications and other system applications.

Subsidiaries:

Analogic Limited
68 High Street
Weybridge, KT13 8BN, England

Analogic Foreigh Sales Corp.
St. Thomas, U.S. Virgin Islands 00801

Analogic GmbH
Daimlerring 2
6200 Wiesbaden
Nordenstadt, West Germany

Acquisition(s):

3H Industries, Inc.
1289 Hammerwood Drive
Sunnyvale, California 94086

Computer Design & Applications, Inc. (99% owned)
Waltham, Massachusetts

Transfer Agent(s):

State Street Bank and Trust Co.
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALOG (NASDAQ)

Number of Employees:

1985	N.A.	1982	1,700
1984	N.A.	1981	1,510
1983	1,900		

Plant Footage:

1985	N.A.	1983	500,000 sq. ft.
1984	N.A.	1982	270,000

N.A. - Not Available

Sales and Earnings ‡

	Net Sales	Net Income †
1985	$ 132,019,371	$ 9,939,677
1984	147,911,909	16,444,310
1983	133,487,901	14,171,893
1982	111,048,360	11,785,795
1981	85,979,903	8,301,145

	No. of Com. Share +	Earn. per Share + †
1985	18,783,592	$ 0.53
1984	18,862,387	0.87
1983	18,179,054	0.78
1982	17,322,210	0.68
1981	16,851,580	0.49

‡ Restated to include operations of 3H Industries, acquired on a pooling of interests basis.
† Including extraordinary gain of $441,000 ($0.02 per share) in 1985.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	2-for-1
1983	—	—	2-for-1
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity ‡

	Total Equity	Equity Per Share +
1985	$ 142,185,302	$ 7.57
1984	131,595,510	6.98
1983	115,330,025	6.34
1982	72,336,364	4.18

‡ Restated.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended July 31	1985	1984 ‡
Net sales	$ 132,019,371	$ 147,911,909
Cost of sales	77,665,144	85,470,886
Expenses	42,877,484	42,347,587
Interest expense	1,088,576	774,449
Interest income	(3,945,810)	(4,529,532)
Gain from sale of secur.	—	(1,310,791)
Loss in eq. & earn. from affil. co.	—	561,600
Income before taxes	$ 14,333,977	$ 24,597,710
Income taxes	4,835,300	8,153,400
Net Income	$ 9,498,677	$ 16,444,310
Extraord. gain	441,000	—
Net Income & Extraord. gain	$ 9,939,677	$ 16,444,310

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $5,682,871 in 1985 and $4,480,888 in 1984.

Assets

As of July 31	1985	1984 ‡
Cash	$ 40,849,949	$ 35,696,463
Market. securities	10,300,000	1,978,672
Accts. receiv., net	27,918,960	33,670,140
*Inventories	43,312,956	47,920,589
Prepaid expenses	2,470,968	1,561,239
Current Assets	$ 124,852,833	$ 120,827,103
#Fixed assets	44,087,194	43,743,703
Invest. in affil. co.	897,409	897,409
Other assets	473,663	170,466
Total Assets	$ 170,311,099	$ 165,638,681

Liabilities

Notes payable	$ —	$ 541,053
Note payable, bank	150,000	250,000
Indebtedness to rel. parties	285,437	229,653
Accts. payable	4,389,369	8,631,987
Accruals	3,297,809	3,274,570
Cust. deposits	1,880,536	1,851,624
———	2,071,457	3,884,642
Curr. Liabilities	$ 12,074,608	$ 18,663,529
Note payable	—	666,700
Mortg. note pay.	5,833,599	5,921,099
Indebtedness to rel. parties	6,501,864	6,257,728
Deferred inc. taxes	3,715,726	2,534,115
+ Common stock	989,982	986,903
Add. paid-in capital	66,256,852	65,908,256
Retained earnings	78,254,839	68,315,162
Treasury stock	(1,815,599)	(1,814,589)
Unearned compensation	(1,500,772)	(1,800,222)
Total Liabilities & Shareholders' Equity	$ 170,311,099	$ 165,638,681

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.86	16.63
%Net Income to Sales	7.19	11.12
%Net Income to Equity	6.68	12.50
Sales to Inventories	3.05	3.09
Debt to Equity	0.09	0.11
Working Capital	$112,778,225	$102,163,574
Current Ratio	10.34	6.47
Shareholders' Equity	$142,185,302	$131,595,510

Anaren Microwave, Inc.

6635 Kirkville Road
Syracuse, New York 13057
(315) 432-8909

Officers: Hugh A. Hair, president & chief exec. officer; Carl W. Gerst, Jr., exec. v.p. & chief operating officer; Michael G. Rowe, treasurer & chief financial officer; Robert A. Worden, v.p. - business & resource planning; William J. Mackay, secretary.

Directors: Hugh A. Hair, Carl W. Gerst, Jr., William J. Mackay, Abraham Manber, Solomon Manber.

Areas of Work: Designs, engineers and manufactures microwave components and completely integrated microwave assemblies used in sophisticated microwave installations. The Company's microwave componentry is utilized in navigation, fire-control radar, electronic countermeasures, electronic surveillance, telemetry, instrumentation and communications systems.

Subsidiaries:

Anaren Microwave, Ltd.
Unit 2 Blackwater Way
Aldershot Hants. GU12 4DK
England

Anaren International, Inc.
Syracuse, N.Y.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANEN (NASDAQ)

Plant Footage:

1985	105,000 sq. ft.	1982	42,000
1984	105,000	1981	42,000
1983	42,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 28,627,566	$ 2,529,274
1984	22,737,339	1,813,224
1983	17,713,550	1,157,548
1982	13,129,689	866,120
1981	11,236,959	649,045

	No. of Com. Shares #	Earn. per Share #
1985	4,208,262	$ 0.60
1984	4,013,083	0.45
1983	3,308,647	0.35
1982	3,258,250	0.27
1981	3,120,726	0.21

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	100%	—

Common Stock Equity

	Total Equity	Equity # Per Share
1985	$ 21,889,121	$ 5.20
1984	19,356,303	4.82
1983	9,532,149	2.88
1982	8,274,601	2.54
1981	7,314,681	2.34

# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 28,627,566	$ 22,737,339
Other income	446,692	347,249
Total income	$ 29,074,258	$ 23,084,588
Cost of sales	18,209,260	14,618,227
Expenses	6,285,280	5,237,516
Interest expense	399,354	456,315
Income before taxes	$ 4,180,364	$ 2,772,530
Income taxes	1,651,090	959,306
Net Income	$ 2,529,274	$ 1,813,224

* Included in Costs and Expenses, Depreciation and Amortization: $1,595,381 in 1985 and $1,328,667 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 2,526,065	$ 4,128,730
Short-term invest.	1,540,000	
Receiv., net	8,554,984	6,831,829
*Inventories	9,147,463	8,510,164
Prepaid expenses	84,994	70,297
Current Assets	$ 21,853,506	$ 19,541,020
#Fixed assets	11,144,400	7,855,189
Other assets	188,203	201,656
Total Assets	$ 33,186,109	$ 27,597,865

Liabilities

Long-term debt, curr.	$ 784,512	$ 589,014
Accts. payable	1,901,680	1,683,215
Accruals	1,940,822	1,543,658
Deferred inc. taxes	102,589	105,854
Curr. Liabilities	$ 4,729,603	$ 3,921,741
Deferred inc. taxes	814,909	698,082
Long-term debt	5,752,476	3,621,739
+ Common stock	44,226	44,221
Add. paid-in capital	13,812,391	13,808,852
Retained earnings	8,198,967	5,669,693
Treasury stock	(166,463)	(166,463)
Total Liabilities & Shareholders' Equity	$ 33,186,109	$ 27,597,865

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.60	12.19
%Net Income to Sales	9.88	7.97
%Net Income to Equity	12.93	9.37
Sales to Inventories	3.13	2.67
Debt to Equity	0.30	0.22
Working Capital	$17,123,903	$15,619,279
Current Ratio	4.62	4.98
Shareholders' Equity	$21,889,121	$19,356,303

Andersen Group, Inc.

1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Officers: Oliver R. Grace, chairman, Francis E. Baker, president; Kenneth T. Kelley, v.p. & general counsel; Timothy E. Griffin, treasurer; Elmer J. Dahl, secretary; Martin H. Anderson, asst. secretary; John J. Nicholson, controller; Franklin R. Stoner, director-personnal; Tom D. Felding, asst. treasurer; Bernard F. Travers, asst. controller.

Directors: Oliver R. Grace*, chairman; Francis E. Baker* Joseph F. Engelberger, Richard Rachals*, Ratus L. Kelly, Louis Lubrano.

* Member of the Executive Committee.

Areas of Work: Develops, produces and markets electronic signal processing products and medical products and services.

Subsidiaries:

Andersen Laboratories, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Engaged in the design and manufacture of high-technology electronic components and equipment based on advanced acoustic technology. Products include surface acoustic wave (SAW) filters, dispersive and non-dispersive delay lines, bulk acoustic wave (BAW) delay lines, IMCON delay lines and acousto-optic cells.

Microtime, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Develops, manufactures and sells video signal processing equipment to the professional broadcasting, cable, industrial and educational markets. Products include time base correctors, synchronizers, and digital video effects.

CDI Medical Services, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Provides ambulatory monitoring services to physicians, hospitals and patients for the diagnosis and management of cardiovascular disorders.

Biosound, Inc.
1280 Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 242-0761

Manufactures and sells high resolution, real-time ultrasonic imaging equipment for medical use.

Seratronics, Inc.
Concord, California

Specializes in microprocessor controlled, electromechanical equipment for use in hemodialysis.

AGI Properties, Inc.

AGI Export, Inc.
Foreign Sales Corporation (FSC).

Transfer Agent(s):

Manufacturers Hanover Trust Co. (common stock)
450 W. 33rd Street
New York, New York 10001

Connecticut National Bank (debentures)
777 Main Street
Hartford, Connecticut 06115

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ANDR (NASDAQ)

Number of Employees:

1985	556	1982	510
1984	N.A.	1981	430
1983	660		

Plant Footage:

1985	107,000 sq. ft.	1982	110,000
1984	N.A.	1981	80,000
1983	N.A.		

N.A -Not Available.

Sales and Earnings

	Net Sales +	Net Income
1986	$ 43,379,000	$ (1,224,000)
1985	48,431,000	2,210,000
1984	38,534,000	2,292,000
1983	29,656,000	1,740,000
1982	23,502,000	1,961,000

	No.of Com. Shares ‡	Earn per Share ‡
1986	2,412,537	$ —
1985	2,411,650	1.23
1984	2,426,004	1.27
1983	1,993,691	0.98
1982	1,700,265	1.15

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	—	3-for-2
1983	—	—	—
1982	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1986	$ 14,548,000	$ 8.13
1985	15,771,000	8.82
1984	13,403,000	7.50
1983	11,065,000	6.20
1982	9,065,000	5.25

† Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Feb. 28	1986	1985
Net sales & other income	$ 43,378,941	$ 48,431,199
Cost of sales	22,976,348	21,568,739
Expenses	21,298,093	22,713,472
Interest expense	1,376,504	1,463,550
Inc. (loss) bef. taxes	$ (2,272,004)	$ 2,685,438
Income taxes (credit)	(1,125,000)	345,000
Minority interest	—	80,750
Eq. in loss of joint venture	76,991	50,000
Net Income (Loss)	$ (1,223,995)	$ 2,209,688

* Included in Costs and Expenses, Depreciation and Amortization: $1,878,653 in 1986 and $1,594,298 in 1985.

Assets

As of Feb. 28	1986	1985
Cash	$ 1,583,747	$ 2,105,321
Short-term invest.	347,650	351,900
Assts. & notes receiv. net	10,842,568	12,288,317
Recov. inc. taxes	720,280	720,280
*Inventories	10,813,302	12,257,780
Prepaid expenses & other assets	363,339	421,123
Current Assets	$ 24,670,886	$ 28,244,721
#Fixed assets	8,893,741	8,178,254
Other assets	1,513,769	1,715,270
Defer. charges	1,349,786	1,477,321
Intangibles	234,619	264,331
Total Assets	$ 36,662,801	$ 39,879,897

Liabilities

Long-term debt, curr.	$ 110,913	$ 102,529
Accts. payable	2,851,550	4,861,389
Cust. deposits	343,537	64,800
Accruals	3,028,673	2,040,693
Income taxes	314,087	77,767
Employee compen.	1,190,735	1,089,284
Curr. Liabilities	$ 7,839,495	$ 8,236,462
Long-term debt	13,405,829	13,398,602
Deferred inc. taxes	869,396	2,474,207
+Common stock	2,088,071	2,086,621
Add. paid-in capital	426,408	426,408
Retained earnings	12,033,602	13,257,597
Total Liabilities & Shareholders' Equity	$ 36,662,801	$ 39,879,897

* At lower of cost (FIFO & average cost methods) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.54
%Net Income to Sales	—	4.56
%Net Income to Equity	—	14.01
Sales to Inventories	4.01	3.95
Debt to Equity	0.93	0.86
Working Capital	$16,831,391	$20,008,259
Current Ratio	3.15	3.43
Shareholders' Equity	$14,548,081	$15,770,626

Anderson Jacobson, Inc.

521 Charcot Avenue
San Jose, California 95131
(408) 263-8520

Officers: Raymond E. Jacobson, chairman of the board & president; Thomas B. Zmach, v.p.-marketing; Wayne C. Seppeler, v.p.-data communications division; R.J. Indermill, secretary & treasurer; Kent M. Wilkins, v.p. & controller; James W.A. Jacobson, v.p. & mgr.-product & quality assurance; Jacques Moisset, v.p.-international; Brian Warrington, managing director-Anderson Jacobson Ltd.

Directors: Raymond E. Jacobson, chairman; Richard J. Indermill, Edward J. Maher, M. Stuart Millar, Courtney V. Moe.

Areas of Work: The company is a manufacturer of proprietary computer terminals and data communications equipment which are used to transmit digital data to and from computers over telephone lines. Products include modems, acoustic data couplers, video display terminals, and keyboard printer terminals.

Subsidiaries:

Anderson Jacobson, SA
Paris, France

Anderson Jacobson, Ltd.
London, England

Anderson Jacobson, Canada, Ltd./Ltee.
Toronto, Ontario
Canada

Transfer Agent(s):

Crocker National Bank
Corporate Division
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): American

Ticker Symbol: AJ

Number of Employees:

1985	464	1982	810
1984	620	1981	870
1983	879		

Plant Footage:

1985 . . . . . . 90,000 sq. ft.

Sales and Earnings

	Revenues	Net Income
1985	$ 46,628,000	$ (2,772,000)
1984	51,093,000	(3,214,000)
1983	54,234,000	1,900,000
1982	50,261,000	910,000
1981	49,516,000	1,747,000

	No. of Com. Shares †	Earn. per Share ×
1985	2,682,411	$ —
1984	2,653,790	—
1983	2,548,918	0.71
1982	2,512,881	0.35
1981	2,554,137	0.68

(Loss)

† Adjusted to reflect stock dividends.

× Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	3%	—
1983	—	3%	—
1982	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 10,885,000	$ 4.06
1984	14,027,000	5.29
1983	17,115,000	6.71
1982	15,366,000	6.11
1981	15,522,000	6.08

+ Adjusted to reflect stock dividends.

Income Account

Year ended March 31	1985	1984
Net sales	$ 22,079,000	$ 21,632,000
Lease & service	20,900,000	25,697,000
Res. & develop. contract	3,649,000	3,764,000
Revenue	$ 46,628,000	$ 51,093,000
Cost of lease revenue	12,272,000	14,876,000
Cost of sales	15,081,000	15,033,000
Expenses	1,989,000	2,428,000
Interest expense	20,031,000	21,812,000
Interest income	(740,000)	(1,037,000)
R. & D. tech. acq.	—	5,253,000
Gain on sale of land	—	(5,786,000)
Loss before taxes	$ (2,005,000)	$ (1,486,000)
Income taxes	767,000	1,728,000
Net Income (Loss)	$ (2,772,000)	$ (3,214,000)

Assets

As of March 31	1985	1984
Cash	$ 870,000	$ 2,612,000
Marketable securities	—	1,891,000
Accts. receiv., net	5,095,000	5,246,000
*Inventories	8,174,000	6,126,000
Prepaid expenses	422,000	250,000
Current Assets	$ 14,561,000	$ 16,125,000
Investment	6,888,000	8,975,000
#Fixed assets	5,818,000	7,154,000
Funds for plant construction	—	6,727,000
Other assets	174,000	525,000
Deferred inc. taxes	1,528,000	1,432,000
Total Assets	$ 28,969,000	$ 40,938,000

Liabilities

Long-term debt, curr.	$ 6,622,000	$ 3,621,000
Long-term oblig., curr.	1,386,000	—
Accts. payable	1,740,000	2,808,000
Accruals	2,277,000	1,968,000
Income taxes	118,000	553,000
Deferred contr. revenue	—	3,649,000
Curr. Liabilities	$ 12,143,000	$ 12,599,000
Long-term debt	279,000	8,252,000
Accrued R. & D. oblig.	4,392,000	5,253,000
Deferred comp. plan	1,270,000	807,000
+ Common stock	268,000	265,000
Add. paid-in capital	10,376,000	10,230,000
Retained earnings	2,658,000	5,430,000
Cum. trans. adjust.	(2,417,000)	(1,898,000)
Total Liabilities & Shareholders' Equity	$ 28,969,000	$ 40,938,000

* At lower of standard cost (which approximates actual cost on a FIFO basis) or market.

Less accumulated depreciation & amortization.

+ $0.10 par value.

Statistical Summary

Debt to Equity	0.76	0.85
Working Capital	$ 2,418,000	$ 3,526,000
Current Ratio	1.20	1.28
Shareholders' Equity	$10,885,000	$14,027,000

Andrea Radio Corporation

11-40 45th Road
Long Island City, New York 11101
(718) 729-8500

Officers: Frank A. D. Andrea, Jr., chairman of the board and president; Anthony S. Abbene, executive vice president and treasurer; Camille Andrea, secretary & pres. of Andrea Sales Division; George Feinman, v.p.-engineering & production operations.

Directors: Frank A. D. Andrea, Jr., Anthony S. Abbene, Camille Andrea, Salvatore J. Carruba.

Areas of Work: Engaged in designing, developing, and producing intercommunications and other electronic systems and equipment which are sold to the government and private companies under prime and subcontract.

Transfer Agent(s):

The Chase Manhattan Bank N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: AND

Number of Employees:

1985	94	1982	96
1984	110	1981	121
1983	97		

Plant Footage:

1985	57,266 sq. ft.	1982	57,266
1984	57,266	1981	57,266
1983	57,266		

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,247,719	$ 187,188
1984	4,754,406	457,145
1983	4,422,114	448,209
1982	4,781,861	437,111
1981	3,961,723	389,645

	No. of Com. Shares	Earn. per Share #
1985	508,272	$ 0.37
1984	508,272	0.90
1983	508,272	0.88
1982	508,272	0.86
1981	508,272	0.77

Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Government	$ 1,987,524	$ 3,231,461
Industrial	1,259,593	1,506,290
Commercial	602	16,655
Total	$ 3,247,719	$ 4,754,406

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.37	—	—
1984	0.90	—	—
1983	0.90	—	—
1982	0.81	—	—
1981	0.56	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 3,586,745	$ 7.06
1984	3,582,535	7.05
1983	3,582,835	7.05
1982	3,592,071	7.07
1981	3,566,660	7.02

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 3,247,719	$ 4,754,406
Other income	141,094	246,227
Total income	$ 3,388,813	$ 5,000,633
Cost of sales	2,585,971	3,587,487
Expenses	445,682	516,875
Income before taxes	$ 357,160	$ 896,271
Income taxes	169,972	439,126
Net Income	$ 187,188	$ 457,145

* Included in Costs and Expenses, Depreciation: $54,112 in 1985 and $81,576 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 80,594	$ 117,241
Money mkt. acct	46,687	163,324
Cert. of deposit	1,600,356	1,802,133
Accts. receiv., net	408,218	580,329
*Inventories	1,062,712	801,429
Prepaid expenses	78,345	11,991
Current Assets	$ 3,276,912	$ 3,476,447
#Fixed assets	501,204	584,855
Intangibles	951	951
Total Assets	$ 3,779,067	$ 4,062,253

Liabilities

Accts. payable	$ 154,991	$ 430,881
Salaries & wages	29,984	32,923
Misc. taxes	6	1,556
Inc. taxes	—	10,270
Dividends payable	7,341	4,088
Curr. Liabilities	$ 192,322	$ 479,718
+ Common stock	254,136	254,136
Add. paid-in capital	59,206	59,206
Retained earnings	3,273,403	3,269,193
Total Liabilities & Shareholders' Equity	$ 3,779,067	$ 4,062,253

* At lower of cost (FIFO) or market.

Less accumulated depreciation & amortization.

+ $0.50 par value.

Andrea Radio Corporation

Statistical Summary

%Income bef. Taxes to Sales	11.00	18.85
%Net Income to Sales	5.76	9.62
%Net Income to Equity	5.22	12.76
Sales to Inventories	3.06	5.93
Working Capital	$3,084,590	$2,996,729
Current Ratio	17.04	7.25
Shareholders' Equity	$3,586,745	$3,582,535

Anixter Bros., Inc.

4711 Golf Road
One Concourse Plaza
Skokie, Illinois 60076
(312) 677-2600

Officers: Alan B. Anixter, chairman & chief exec. officer; William R. Anixter, vice chairman; Bruce Van Wagner, vice chairman; James R. Anixter, vice chairman; John M. Egan, president-Anixter Communications; James A. Loudon, treasurer; John J. Mariana, v.p.-information services; William S. Race, v.p.-finance; Albert E. Smith, v.p. & controller; Robert J. Wilson, president-Anixter Wire & Cable; Kenneth E. Morton, v.p.-manufacturing; Herbert L. Pruzan, v.p.; George Miller, v.p.; John A. Pigott, president-Anixter Bros., Inc.; Raymond J. Geraci, v.p.-advertising; Lawrence A. Margolis, gen. counsel & secretary.

Directors: Alan B. Anixter, William R. Anixter, James R. Anixter, Scott C. Anixter, John M. Egan, Edward F. Harris, William S. Race, Bruce Van Wagner, John A. Pigott, Herbert L. Pruzan, Joseph M. Checkers, Robert J. Wilson, Albert E. Smith, Theodore Horwich, Michael U. Reilly.

Areas of Work: The Distribution Group buys, warehouses and sells an assortment of electrical wire and cable and CATV items. The Manufacturing Group primarily manufactures products which use wire and cable as a principal component or which are used in the transmission of telephone communications or electricity; specific products of this group include telephone transmission components, modular central office structures to house electronic switching systems, electrical wiring harnesses and cable assemblies for use on appliances and vehicles, lights and switches primarily for military vehicles, battery booster cables and other power supply cords, microwave antennas for telephone and radio communications and distribution equipment such as switchboards and power panels.

Subsidiaries:

Anixter-Real Estate, Inc.
Anixter U.K. Ltd.
Anixter-F.S.C.
Anixter Financial Corp.
Anixter-Canada, Inc.

Transfer Agent(s):

First National Bank of Chicago
Chicago, Illinois
New York, New York

Stock Exchange(s): New York

Ticker Symbol: ANX

Number of Employees:

1985	2,500	1982	2,550
1984	2,700	1981	2,600
1983	2,350		

Plant Footage:

1985	376,250 sq. ft.	1983	653,657
1984	523,811	1982	601,395

Sales and Earnings

	Net Sales +	Net Income
1985	$ 650,949,000	$ 17,456,000
1984	597,808,000	14,937,000
1983	520,613,000	10,340,000
1982	532,522,000	16,177,000
1981	N.A.	18,518,000

	No. of Com. Shares †	Earn. per Share #
1985	18,189,279	$ 0.96
1984	18,189,279	0.82
1983	18,187,458	0.72
1982	14,026,345	1.13
1981	14,026,345	1.31

N.A. - Not Available.
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Distribution	$ 594,700	$ 532,530
Manufacturing	56,249	65,278
Total	$ 650,949	$ 597,808

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.28	—	—
1984	0.25	—	—
1983	0.21	—	—
1982	0.17	—	—
1981	0.13	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 204,079,000	$ 11.22
1984	191,500,000	10.53
1983	183,486,000	10.09
1982	94,505,775	6.74
1981	82,508,022	5.88

‡ Adjusted to reflect stock split.

Income Account *

Year ended July 31	1985	1984
Net sales	$ 650,949,000	$ 597,808,000
Cost of sales	512,053,000	472,115,000
Expenses	111,749,000	101,997,000
Oper. profit	$ 27,147,000	$ 23,696,000
Other income	7,615,000	9,207,000
Total	$ 34,762,000	$ 32,903,000
Interest expense	4,856,000	4,959,000
Income before taxes	$ 29,906,000	$ 27,944,000
Income taxes	12,450,000	11,373,000
Inc. - cont. oper.	$ 17,456,000	$ 16,571,000
Loss - disc. oper.	—	(1,634,000)
Net Income	$ 17,456,000	$ 14,937,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,080,000 in 1985 and $5,750,000 in 1984.

Assets

As of July 31	1985	1984
Cash & temp. investments	$ 62,052,000	$ 53,915,000
Accts. & notes receiv., net	88,460,000	92,005,000
*Inventories	154,262,000	153,397,000
Prepaid expenses	975,000	602,000
Current Assets	$ 305,749,000	$ 299,919,000
Marketable securities	20,032,000	8,651,000
#Fixed assets	29,889,000	25,474,000
Other assets	3,543,000	6,005,000
Intangibles	4,989,000	5,003,000
Unamort. fin. costs	1,137,000	1,221,000
Total Assets	$ 365,339,000	$ 346,273,000

Liabilities

Long-term debt, curr.	$ 1,431,000	$ 1,406,000
Accts. payable	81,870,000	78,297,000
Accruals	15,266,000	13,199,000
Income taxes	4,549,000	3,401,000
Curr. Liabilities	$ 103,116,000	$ 96,303,000
Long-term debt	56,034,000	56,404,000
Deferred inc. taxes	2,110,000	2,066,000
+Common stock	18,327,000	18,327,000
Add. paid-in capital	78,318,000	78,318,000
Eq. adjust. from for. curr. trans.	(4,202,000)	(3,604,000)
Loss on marketable securities	(542,000)	(1,356,000)
Retained earnings	112,324,000	99,961,000
Treasury stock	(146,000)	(146,000)
Total Liabilities & Shareholders' Equity	$ 365,339,000	$ 346,273,000

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	8.55	7.80
Sales to Inventories	4.22	3.90
Debt to Equity	0.28	0.30
Working Capital	$202,633,000	$203,616,000
Current Ratio	2.97	3.11
Shareholders' Equity	$204,079,000	$191,500,000

Apex Electronics, Inc.

100 Eighth Street
Passaic, New Jersey 07055
(201) 773-1220

Officers: Michael Dorota, president; Andrew Lech, secretary and treasurer.

Directors: Michael Dorota, Andrew Lech, Hazel Orlin.

Areas of Work: Produces cathode ray tubes and other television parts.

Transfer Agent(s):

New Jersey Bank, N.A.
Paterson, New Jersey

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	$ 1,162,907	$ (14,618)
1984	1,096,125	4,278
1983	1,219,581	7,532
1982	1,201,893	4,381
1981	1,004,231	1,369

	No. of Com. Shares ‡	Earn. per Share ‡
1985	252,450	$ —
1984	252,450	—
1983	252,650	—
1982	252,650	—
1981	252,650	—

(Loss)
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 448,881	$ 1.78
1984	463,599	1.84
1983	459,521	1.82
1982	451,989	1.79
1981	447,608	1.77

‡ Based on the average number of shares outstanding.

Income Account

Year ended Aug. 31	1985	1984
Net sales	$ 1,162,907	$ 1,096,125
Cost of sales	1,066,256	963,359
Expenses	90,380	103,054
Depreciation	20,889	25,434
Net Income (Loss)	$ (14,618)	$ 4,278

Assets

As of Aug. 31	1985	1984
Cash	$ 22,578	$ 40,454
Investment	157,245	152,554
Accts. & notes receiv. net	65,292	114,791
Accrued int. receiv.	5,131	4,690
*Inventories	328,737	227,287
Prepaid expenses & advances	2,019	370
Current Assets	$ 581,002	$ 540,147
#Fixed assets	39,322	58,100
Other assets	1,900	1,900
Total Assets	$ 622,224	$ 600,147

Liabilities

Notes payable	$ 10,000	$ 10,000
Accts. payable	38,177	30,032
Advances	26,740	—
Accrued taxes & expenses	75,426	73,515
Curr. Liabilities	$ 150,343	$ 113,547
Note payable	23,000	23,000
+Common stock	26,100	26,100
Common stock-Apex Elec. Int'l.	2,500	2,500
Add. paid-in capital	306,503	306,503
Retained earnings	129,203	143,822
Treasury stock	(15,425)	(15,325)
Total Liabilities & Shareholders' Equity	$ 622,224	$ 600,147

* At lower of cost (FIFO) or market for raw materials; manufactured finished goods at standard costs which approximate actual costs.

Less accumulated depreciation.

+ $0.10 par value.

Statistical Summary

Sales to Inventories	3.54	4.82
Debt to Equity	0.07	0.07
Working Capital	$430,659	$426,600
Current Ratio	3.86	4.76
Shareholders' Equity	$448,881	$463,599

Apple Computer, Inc.

20525 Mariani Avenue
Cupertino, California 95014
(408) 996-1010

Officers: John Sculley, president & chief executive officer; William V. Campbell, exec. v.p., group exec.-U.S. sales & marketing; Delbert W. Yocam, exec. v.p., group exec.-prod. oper.; David J. Barram, v.p.-finance & chief financial officer; Deborah A. Coleman, v.p.-manufacturing; Albert A. Eisenstat, v.p., general counsel & secretary; Jay Elliot, v.p.-human resources; Jean-Louis Gassee, v.p.-prod. devel.; Thomas J. marano, v.p.-U.S. sales; Michael Muller, v.p.; Michael H. Spindler, v.p.-international; Roy Weaver, Jr., v.p.-distribution; Robert W. Saltmarsh, treasurer.

Directors: Peter O. Crisp, A.C. Markkula, Jr., Arthur Rock, Philip S. Schlein, Henry E. Singleton, John Sculley.

Areas of Work: The company designs, develops, produces, markets and services microprocessor-based personal computers and related software and other peripheral products.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AAPL (NASDAQ)

Number of Employees:

1985	4,182	1983	4,645
1984	5,382	1982	3,391

Sales and Earnings

	Net Sales	Net Income
1985	$1,918,280,000	$ 61,223,000
1984	1,515,876,000	64,055,000
1983	982,769,000	76,714,000
1982	583,061,000	61,306,000
1981	334,783,000	39,420,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	61,895,000	$ 0.99
1984	60,887,000	1.05
1983	59,867,000	1.28
1982	57,798,000	1.06
1981	56,161,000	0.70

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 550,487,000	$ 8.89
1984	464,565,000	7.63
1983	377,901,000	6.31
1982	257,092,000	4.45
1981	177,387,000	3.16

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	9/27/85	9/28/84
Net sales	$ 1,918,280	$ 1,515,876
Cost of sales	1,117,864	878,586
Research & develop.	72,526	71,136
Marketing	470,588	392,866
Gen. & adm.	110,077	81,840
Interest income	(9,786)	(17,737)
Unusual item	36,966	—
Income before taxes	$ 120,045	$ 109,185
Income taxes	58,822	45,130
Net Income	$ 61,223	$ 64,055

* Included in Costs and Expenses, Depreciation and Amortization: $41,841,000 in 1985 and $37,963,000 in 1984.

Assets
(000's)

As of	9/27/85	9/28/84
Cash & temp. cash invest.	$ 337,013	$ 114,888
Accts. receiv., net	220,157	258,238
*Inventories	166,951	264,619
Other curr. assets	97,944	49,806
Current Assets	$ 822,065	$ 687,551
#Fixed assets	90,446	75,868
Other assets	23,666	25,367
Total Assets	$ 936,177	$ 788,786

Liabilities
(000's)

Accts. payable	$ 74,744	$ 109,038
Accrued compen.	25,595	20,456
Income taxes payable	27,800	11,268
Accrued adv.	75,934	50,638
Accrued cost of consol.	20,173	—
Other curr. liab.	71,179	63 784
Curr. Liabilities	$ 295,425	$ 255,184
Deferred inc. taxes	90,265	69,037
+Common stock	234,625	208,948
Retained earnings	320,324	259,101
Cum. trans. adj.	414	(633)
Notes receiv. from shareholders	(4,876)	(2,851)
Total Liabilities & Shareholders' Equity	$ 936,177	$ 788,786

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.26	7.20
%Net Income to Sales	3.19	4.23
%Net Income to Equity	11.12	13.79
Sales to Inventories	11.49	5.73
Working Capital	$526,640,000	$432,367,000
Current Ratio	2.78	2.69
Shareholders' Equity	$550,487,000	$464,565,000

Applied Magnetics Corporation

75 Robin Hill Road
Goleta, California 93117
(805) 683-5353

Officers: Harold R. Frank, chairman of the board; Ben J. Newitt, president & chief executive officer; Robert C. Tetherow, exec. v.p.; Thomas W. Russell, v.p.; William R. Anderson, exec. v.p. & chief operating officer; O.M. Fundingsland, v.p.-sales and marketing; Charles B. Huber, v.p. Louis W. Rayer, v.p.-materials; Gordon P. Sprague, Jr., exec. v.p. & chief financial officer; Raymond P. LeBlanc, v.p., secretary & general counsel.

Directors: Harold R. Frank, chairman; Ben J. Newitt, James M. Cunningham, John E. Anderson, Willard G. DeGroot, William E. Terry, Robert C. Tetherow, R.C. Mercure, Jr.

Areas of Work: Designs and manufactures magnetic recording heads used in tape, digit-disk, and floppy-disk drives.

Subsidiaries:

Applied Magnetics Belgium, N.V.
Industriezone
Raadsherenstraat 3
2300 Turnhout, Belgium

Applied Magnetics Japan Ltd.
Hasimoto Building
5-14 Akasak
1-Chome, Minato Ku
Tokyo, 107 Japan

Applied Magnetics Korea, Ltd.
IPO 2801
Seoul, Korea

Applied Magnetics (Singapore) Pte. Ltd.
5004 Ang Mo Kio #05-01/06
Singapore 2056

Applied Magnetics Ireland, Ltd. Inc.
Clonshaugh Industrial Estate
Coolock, Dublin 5, Ireland

Transfer Agent(s):

First Interstate Bank of California
P.O. Box 3667
Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: APM

Applied Magnetics Corporation

Number of Employees:

1985	3,900	1982	2,800
1984	4,500	1981	2,746
1983	3,936		

Plant Footage:

1985 . . . . . . 595,260 sq. ft.

Sales and Earnings

	Net Sales +	Net Income ‡
1985	$ 120,751,000	$ 3,087,000
1984	145,938,000	1,091,000
1983	101,590,556	6,907,132
1982	92,639,306	9,304,705
1981	67,612,820	16,126,167

	No. of Com. Shares †	Earn. per Share ‡ †
1985	6,495,340	$ 0.48
1984	6,685,792	0.16
1983	6,254,087	1.10
1982	5,824,290	1.60
1981	5,771,454	2.79

+ Of continuing operations only.
‡ Including extraordinary gains of $2,050,000 (0.32 per share) in 1985 and $312,000 ($0.04 per share) in 1984.
† Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	5%	—
1984	—	5%	—
1983	—	5%	—
1982	—	5%	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 92,714,000	$ 14.71
1984	89,021,000	14.13
1983	91,388,030	14.72
1982	57,549,976	11.18
1981	49,805,919	9.57

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 120,751,000	$ 145,938,000
Cost of sales	88,444,000	114,264,000
Expenses	30,121,000	32,842,000
Interest income	(1,576,000)	(2,088,000)
Interest expense	1,637,000	174,000
Gain on sale of land	(1,023,000)	—
Prov. for clos. of facil.	1,100,000	—
Income before taxes	$ 2,048,000	$ 746,000
Income taxes (credit)	1,011,000	(33,000)
Net Income	$ 1,037,000	$ 779,000
Extraord. gain	2,050,000	312,000
Net Income & extraord. gain	$ 3,087,000	$ 1,091,000

*Included in Costs and Expenses, Depreciation and Amortization: $6,022,000 in 1985 and $5,166,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 19,092,000	$ 7,845,000
Accts. receiv., net	20,458,000	26,967,000
*Inventories	18,672,000	27,709,000
Prepaid expenses	6,988,000	5,568,000
Current Assets	$ 65,210,000	$ 68,089,000
#Fixed assets	54,636,000	52,223,000
Other assets	3,939,000	2,920,000
Total Assets	$ 123,785,000	$ 123,232,000

Liabilities

Long-term debt, curr.	$ 33,000	$ 1,062,000
Notes payable	4,500,000	6,500,000
Accts. payable	6,323,000	8,935,000
Accrued payroll & other liab.	8,459,000	7,987,000
Income taxes	1,410,000	482,000
Other liabilities	3,286,000	2,695,000
Curr. Liabilities	$ 24,011,000	$ 27,661,000
Long-term debt	7,060,000	6,550,000
+ Common stock	630,000	630,000
Add. paid-in capital	59,063,000	59,043,000
Retained earnings	34,086,000	30,999,000
Cum. trans. adjust.	(1,065,000)	(1,651,000)
Total Liabilities & Shareholders' Equity	$ 123,785,000	$ 123,232,000

*At lower of cost (FIFO) or market.
Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.70	0.51
%Net Income to Sales	0.86	0.53
%Net Income to Equity	1.12	0.88
Sales to Inventories	6.47	5.27
Debt to Equity	0.13	•0.16
Working Capital	$41,199,000	$40,428,000
Current Ratio	2.72	2.46
Shareholders' Equity	$92,714,000	$89,021,000

Applied Solar Energy Corporation

(75% owned by Chesebrough-Pond's Inc.)

15251 E. Don Julian Road
P.O. Box 1212
City of Industry, California 91749
(818) 968-6581

Officers: Conrad S. Kent, chairman of the board; William L. Thompson, president & chief executive officer; Thomas J. Brawley, v.p. & gen. mgr.-Space & Terrestrial; Ku Sun Ling, sr. v.p.; Barry W. Hall, v.p.-finance, chief financial officer & treasurer; Raymond L. Waguespack, v.p. & gen. mgr.-Advanced Detector Corp.; Kathleen J. Batistelli, secretary.

Directors: Conrad S. Kent, chairman; Jerry Grey, Eugene B. Konecci, William L. Thompson*, E.C. Galloway, Stephen R. Walls, Wayne C. Jaeschke*.

* Member of the Executive Committee.

Areas of Work: Designs, manufactures and markets photovoltaic products which convert sunlight into electrical power for use on earth and in space; and photo detectors which change light into electronic signals for optical scanners and readers in medical, data processing, telecommunications, and machinery control applications.

Divisions and Subsidiaries:

Simulaser Corporation
Manufactures weapons similation systems based on laser/detector technology.

Advanced Detector Corporation
Manufactures silicon detectors for use in commercial and military markets.

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOLR (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income #
1985	$ 11,179,000	$ (3,723,000)
1984	16,981,000	2,910,000
1983	13,922,000	2,991,000
1982	9,207,000	229,000
1981	9,220,000	(2,692,000)

	No. of Com. Shares ‡	Earn. per Share #‡
1985	3,362,000	$ —
1984	3,389,000	0.86
1983	2,896,000	1.03
1982	2,405,000	0.10
1981	2,381,000	—

(Loss)
+ Includes other revenues.
# Including extraordinary gain of $891,000 ($0.26 per share) in 1984, $1,126,000 ($0.39 per share) in 1983 and extraordinary loss of $133,000 in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 18,476,000	$ 5.50
1984	22,097,000	6.52
1983	18,859,000	6.51
1982	4,403,000	1.83
1981	4,163,000	1.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Net sales	$ 11,179	$ 16,981
Cost of sales	10,519	9,890
Expenses:		
Res. & prod. develop.	491	489
Sell., adm. & general	4,577	3,764
Interest expense	4	123
Interest income	(567)	(1,024)
Income (loss) bef. taxes	$ (3,845)	$ 3,739
Income taxes (credit)	(255)	1,720
Net Income (Loss)	$ (3,590)	$ 2,019
Extraord. items	(133)	891
Net Income & Extraord. (Loss) Items	$ (3,723)	$ 2,910

* Included in Costs and Expenses, Depreciation and Amortization: $1,360,000 in 1985 and $925,000 in 1984

Assets
(000's)

As of Oct. 31	1985	1984
Cash & temp. invest.	$ —	$ 11,138
Accts. receiv., net	2,698	2,132
Inc. tax refund receiv.	145	—
Unreimbursed expend. on contracts	910	159
*Inventories	3,160	2,176
Prepaid expenses	434	324
Current Assets	$ 7,347	$ 15,929
#Fixed assets	15,318	9,480
Other assets	754	294
Total assets	$ 23,419	$ 25,703

Liabilities
(000's)

Demand note pay.	$ 500	$ —
Cap. lease oblig., curr.	169	162
Accts. payable	1,238	
Accruals	1,360	778
Allow for losses on contracts	305	60
Income taxes	—	177
Curr. Liabilities	$ 3,572	$ 2,049
Long-term debt	1,181	1,217
Cap. lease oblig.	131	266
Deferred taxes	59	74

+ Common stock	20,918	20,816
Retained earnings (deficit)	(2,442)	1,281
Total Liabilities & Shareholders' Equity	$ 23,419	$ 25,703

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sale	—	22.02
%Net Income to Sales	—	11.89
%Net Income to Equity	—	9.14
Sales to Inventories	3.54	7.80
Debt to Equity	0.11	0.07
Working Capital	$ 3,775,000	$13,880,000
Current Ratio	2.06	7.77
Shareholders' Equity	$18,476,000	$22,097,000

ARGOSystems Inc.

310 North Mary Avenue
Sunnyvale, California 94086
(408) 737-2000

Officers: Bill B. May, chairman & chief exec. officer; Kenneth P. Miles, president & chief operating officer; Thomas P. Miles, sr. v.p.; John M. Hunter, sr. v.p.; Gary Kimmel, v.p. & chief financial officer; Thomas K. Micali, v.p.; Joyce E. Schmietow, secretary.

Directors: Bill B. May, chairman; Kenneth P. Miles, William E. Ayer, William J. Perry, Thomas P. Miles, William R. Rambo, John M. Hunter, Peter W. Wallace, Roy A. Anderson, Francis P. Lucier, W.L. Creech.

Areas of Work: Designs advanced electronic systems that listen to and make sense of hostile radar and radio signals for the defense and intelligence forces of the U.S. and its allies.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ARGI (NASDAQ)

Number of Employees:

1985 790

Plant Footage:

1985 . . . . . . 296,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 65,216,000	$ 6,956,000
1984	54,122,000	5,767,000
1983	43,262,000	4,528,000
1982	28,099,000	1,882,000
1981	20,858,000	1,255,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	6,712,000	$ 1.04
1984	6,723,000	0.86
1983	5,940,000	0.76
1982	4,426,000	0.43
1981	4,004,000	0.31

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Electronic warfare & rel. equip.	$ 35,800,000	$ 33,600,000
Studies and systems engineering	10,100,000	10,500,000
Communications reconnaissance & rel. equip.	19,300,000	10,000,000
Total	$ 65,200,000	$ 54,100,000

Common Stock

	Cash Dividend	Cash Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 40,947,000	$ 6.10
1984	33,119,000	4.93
1983	26,923,000	4.53
1982	8,472,000	1.91
1981	6,301,000	1.57

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1985	1984
Revenues	$ 65,216	$ 54,122
Cost of revenues	47,726	38,234
Expenses	8,844	8,156
Interest & dividend income	(2,810)	(2,559)
Interest expense	34	44
Loss on sale of secur.	116	—
Income before taxes	$ 11,306	$ 10,247
Income taxes	4,350	4,480
Net Income	$ 6,956	$ 5 767

* Included in Costs and Expenses, Depreciation and Amortization: $2,039,000 in 1985 and $1,550,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash & cash invest.	$ 19,928	$ 15,483
Accts. receiv., net	11,461	10,663
Unbilled receivables	5,131	2,424
Refundable taxes	158	1,985
Inventories	5,682	4,065
Prepaid expenses	1,793	1,307
Current Assets	$ 44,153	$ 35,927
Long-term market. secur.	7,143	7,585
#Fixed assets	9,783	7,170
Total Assets .	$ 61,079	$ 50,682

Liabilities
(000's)

Cust. advances	$ 1,427	$ 3,817
Accts. payable	2,407	1,100
Accrued payroll	2,859	2,188
Accrued cost of sale	1,780	193
Other accruals	478	208
Income taxes	558	422
Deferred inc. taxes	9,295	8,285
Curr. Liabilities	$ 18,804	$ 16,213
Deferred inc. taxes	1,328	1,350
+ Common stock	18,487	18,313
+ Common stock—Series B	733	780
Retained earnings	23,922	16,966
Valuation allow. for secur.	(1,902)	(2,460)
Notes receiv.—stock sale	(293)	(480)
Total Liabilities & Shareholders' Equity	$ 61,079	$ 50,682

# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.34	18.93
%Net Income to Sales	10.67	10.66
%Net Income to Equity	16.99	17.41
Working Capital	$23,349,000	$19,714,000
Current Ratio	2.35	2.22
Shareholders' Equity	$40,947,000	$33,119,000

Armatron International, Inc.

(formerly Automatic Radio Manufacturing Co., Inc.)

2 Main Street
Melrose, Massachusetts 02176
(617) 321-2300

Officers: Anthony A. Boodchild, president & chief executive officer; Herbert E. Housman, executive vice president; Sal De Yoreo; Robert M. Snow, v.p.'s; James J. Hickey, v.p.-finance; Stephen J. McCabe, v.p.-operations; Charles J. Housman, treasurer; Elliot J. Englander, clerk.

Directors: David Housman, chairman, emeritus; Edward L. Housman, chairman; Charles J. Housman, Herbert E. Housman, Elliot J. Englander, Anthony A. Goodchild, Craig Spangenberg, William Welsh.

Areas of Work: The Industrial Products Group manufactures fuel pumps, valves and pressure regulators for the aerospace industry, cryogenic fluid pumps for the industrial marine industry, and tool and die design and stamping. The Consumer Products Group manufactures lawn and garden products, radios, electronic insect killing devices, and logsplitters.

Divisions and Subsidiaries:

Consumer Products Group:

Flowtron Division
Galaxie Division
Lawn and garden products.

Automatic Radio Division
Mobile communications products.

Heat Extractor, Inc.
Thermal systems.

Industrial Products Group:

J.C. Carter
Aircraft fuel pumps and LNG & LPG pumps.

Triangle Tool & Die Co.
Custom injection molding, tool and die manufacturing and assembly of integrated circuits.

Acquisition(s):

Burgess Products, Inc.
Manufactures insect foggers, household sprayers, battery chargers and electric engravers.

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: ART

Sales and Earnings

	Net Sales ‡	Net Income +
1985	$ 59,587,000	$ (7,978,000)
1984	71,312,000	2,555,000
1983	36,306,000	2,389,000
1982	35,829,000	4,211,000
1981	30,834,000	5,389,000

	No. of Com. Shares #	Earn. per Share # +
1985	2,544,350	$ —
1984	2,531,851	1.01

1983	2,490,110	0.96
1982	2,473,363	1.70
1981	2,448,784	2.20

(Loss)
‡ Of continuing operations only.
# Based on the weighted average number of shares outstanding.
+ Including extraordinary credits of $1,410,000 ($0.57 per share) in 1982 and $2,918,000 ($1.19 per share) in 1981.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 16,608,000	$ 6.53
1984	24,540,000	9.69
1983	21,659,000	8.70
1982	19,233,000	7.71
1981	14,766,000	6.05

# Based on the weighted average number of shares outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 59,587,000	$ 71,312,000
Cost of sales	48,702,000	49,965,000
Expenses	15,628,000	13,838,000
Other income	(750,000)	(132,000)
Interest expense	3,485,000	3,118,000
Prov. for loss on prod. line	3,117,000	—
Inc. (loss) bef. taxes	$ (10,595,000)	$ 4,523,000
Income taxes (credit)	(2,617,000)	1,968,000
Net Income (Loss)	$ (7,978,000)	$ 2,555,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,122,000 in 1985 and $2,682,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 1,564,000	$ 369,000
Accts. receiv., net	8,440,000	10,029,000
Note receivable	2,050,000	—
Refund. inc. taxes	2,561,000	—
*Inventories	21,293,000	22,838,000
Other assets	2,109,000	1,567,000
Current Assets	$ 38,017,000	$ 34,803,000
Notes & mortg. receiv.	214,000	370,000
#Fixed assets	21,197,000	22,919,000
Total Assets	$ 59,428,000	$ 58,092,000

Liabilities

Notes payable	$ 10,685,000	$ 1,738,000
Long-term debt, curr.	4,706,000	274,000
Accts. payable	4,465,000	5,051,000
Warranty costs	1,388,000	1,082,000
Contract liab.	1,047,000	747,000
Interest	594,000	671,000
Payroll	1,321,000	604,000
Other liab.	2,156,000	1,072,000
Curr. Liabilities	$ 26,362,000	$ 11,239,000
Long-term debt	16,458,000	21,669,000
Def. inc. taxes	—	644,000
+Common stock	2,606,000	2,599,000
Add. paid-in capital	6,800,000	6,782,000
Retained earnings	7,421,000	15,399,000
Treasury stock	(187,000)	(187,000)
Deferred comp.	(32,000)	(53,000)
Total Liabilities & Shareholders' Equity	$ 59,428,000	$ 58,092,000

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.34
%Net Income to Sales	—	3.58
%Net Income to Equity	—	10.41
Sales to Inventories	2.80	3.12
Debt to Equity	1.92	0.96
Working Capital	$11,655,000	$23,564,000
Current Ratio	1.44	3.10
Shareholders' Equity	$16,608,000	$24,540,000

Arrow Electronics, Inc.

767 Fifth Avenue
New York, New York 10153
(212) 935-6100

Officers: John C. Waddell, chairman of the board & chief executive officer; Stephen P. Kaufman, president & chief operating officer; T. Wayne Anthony, v.p. & president-Schuylkill Metals Corporation; Thomas M. Davidson, exec. v.p.-finance & administration; Robert E. Klatell, v.p., general counsel & secretary.

Directors: Lawrence Coolidge, John C. Waddell, Bertram J. Cohn, Lynn K. Glenn, Robert F. Greenhill, Thomas M. Davidson, Robert P. Jensen, Stephen P. Kaufman.

Areas of Work: Distributors of electronic components and computer products; a secondary smelter and refiner of lead.

Divisions and Subsidiaries:

Arrow Electronics Canada Ltd.
Distribution of electronic products in Canada.

Refining Division
P.O. Box 73916
Baton Rouge, Louisiana 70807
Mound City, Missouri

Acquisition(s):

Spoerle Electronic
Handelsgesellschkft mbH & Co. (40% owned)
Electronics distributor in West Germany.

Axiom Electronics Ltd.
Distribution of electronic products in England.

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: ARW

Sales and Earnings

	Net Sales	Net Income
1985	$ 534,130,000	$ (10,883,000)
1984	740,017,000	12,817,000
1983	566,594,000	5,102,000
1982	423,954,000	(5,226,000)
1981	360,986,000	1,135,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	6,446,126	$ —
1984	6,417,153	2.00
1983	6,007,971	0.85
1982	4,868,062	—
1981	4,792,982	0.24

(Loss)
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electronics dist.	$ 500,369	$ 668,151
Electrical dist. & refining	33,761	71,866
Total	$ 534,130	$ 740,017

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	—
1983	0.17	—	—
1982	0.16	—	—
1981	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 69,336,000	$ 10.76
1984	80,091,000	12.48
1983	65,567,000	10.91
1982	33,505,000	6.88
1981	38,647,000	8.06

# Based on the average number of shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 534,130,00	$ 740,017,000
Cost of sales	411,547,000	551,194,000
Expenses	122,091,000	146,318,000
Interest expense	21,900,000	20,071,000
Eq. in earn. of affil. co.	(1,405,000)	—
Inc. (loss) bef. taxes	$ (20,003,000)	$ 22,434,000
Income taxes (credit)	(9,120,000)	9,617,000
Net Income (Loss)	$ (10,883,000)	$ 12,817,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,897,000 in 1985 and $4,926,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 46,845,000	$ 24,019,000
Accts. receiv., net	80,840,000	113,401,000
Income taxes	6,332,000	—
*Inventories	123,495,000	149,824,000
Prepaid expenses	8,616,000	9,325,000
Current Assets	$ 266,128,000	$ 296,569,000
#Fixed assets	41,566,000	35,075,000
Other assets	8,472,000	8,287,000
Intangibles	3,356,000	4,650,000
Investments	32,370,000	—
Total Assets	$ 351,892,000	$ 344,581,000

Liabilities

Notes payable	$ 2,018,000	$ 1,616,000
Long-term debt, curr.	1,945,000	2,719,000
Accts. payable	40,012,000	36,786,000
Accruals	28,607,000	30,799,000
Income taxes	—	11,207,000
Curr. Liabilities	$ 72,582,000	$ 83,127,000
Long-term debt	40,081,000	11,262,000
Deferred inc. taxes	4,551,000	3,987,000
Deferred credit	4,486,000	4,614,000
Subord. deben.	160,856,000	161,500,000
+Common Stock	6,468,000	6,455,000
Add. paid-in capital	43,011,000	42,747,000
Retained earnings	22,272,000	34,441,000
Treasury stock	(53,000)	(120,000)
Deferred comp.	(2,362,000)	(3,432,000)
Total Liabilities & Shareholders' Equity	$ 351,892,000	$ 344,581,000

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.03
%Net Income to Sales	—	1.73
%Net Income to Equity	—	16.00
Sales to Inventories	4.33	4.94
Debt to Equity	0.64	0.19
Working Capital	$193,546,000	$213,442,000
Current Ratio	3.67	3.57
Shareholders' Equity	$ 69,336,000	$ 80,091,000

Arvin Industries, Inc.

1531 East 13th Street
Columbus, Indiana 47201
(812) 379-3000

Officers: Eugene I. Anderson, chairman of the board; James K. Baker, president & chief exec. officer; Haren B. Thakor, v.p.-finance; W. Frederick Meyer, v.p.-public affairs; V. William Hunt, v.p.-administration; Loren K. Evans, John P. Sohn, exec. v.p.'s; H. Robert Leland, president-Calspan Corporation; Francis J. Myers, president-Consumer Electronics; James S. Smith, president-Roll Coater, Inc.; Charles H. Watson, president-Arvinyl; Ronald J. Rosin, pres.-ArvinAir.

Directors: Eugene I. Anderson, chairman; James K. Baker, Joseph O. Allen, Loren K. Evans, Douglas G. Fleming, Richard W. Hanselman, V. William Hunt, Don J. Kacek, Haren B. Thakor, Frederick R. Meyer, Steven C. Beering, John P. Sohn, Richard M. Ringoen.

Areas of Work: Operates in four business segments: Automotive—manufacture of mufflers, exhaust and tail pipes, catalytic converters, corrosion resistant coatings and other metal tubular parts, interior trim parts and exterior trim moldings, vinyl metal truck and bus parts, and restraint systems and tire testing services; Consumer—manufacture of AM/FM stereo systems and tape players, fan-forced fireplace heat exchangers, portable electric heaters, electric fireplaces, wind turbine home attic ventilators and various forms of painted and vinyl-laminated steel for appliance housings; Government—aerodynamic, environmental, thermal and flight research, and bulkhead panels for U.S. Navy and Coast Guard ships. Industrial—precoated coils of steel and aluminum for pre-engineered buildings, evaporative coolers, research and testing.

Divisions and Subsidiaries:

Calspan Corporation
Advanced Technology Center
P.O. Box 400
Buffalo, New York 14225
(716) 632-7500

Engaged in the development and production of instrumentation and color video recording systems, and closed circuit video camera systems; industrial and defense electronic products, and automation equipment.

Arvinyl Division
Columbus, Indiana
Corona, California

Supplies industries wih vinyl-to-metal laminates; this prefinished product is fabricated into television and phonograph cabinets, humidifiers, cameras, architectural panels, display cabinets, typewriter components, automotive parts, portable electric heaters, housewares, electronic equipment housings. Heat-sealed padded vinyls and form-padded vinyls used in office machines, appliances and the automotive industry.

Automotive Division
Columbus, Indiana

Arvin North American Automotive
30903 Northwestern Highway
Farmington Hills, Michigan 48018

101 Center Street
Greenwood, Indiana 46142
(317) 881-2551

1001 Hurricane Avenue
Franklin, Indiana 46131
(317) 736-7111

505 Industrial Drive
North Vernon, Indiana 47265
(812) 346-5750

U.S. Highway 43 and Mill Street
Fayette, Alabama 3555
(205) 932-6735

P.O. Box 339
Dexter, Missouri 63841
(314) 624-7411

Arvin Automotive of Canada, Ltd.
(formerly General Tubes, Ltd.)
248 Bowes Road
Concord, Ontario, Canada L4K 1B4
(416) 669-1080

Manufactures specialty tubular products for automotive exhaust systems.

Roll Coater, Inc.
U.S. Route 40 East
P.O. Box 787
Greenfield, Indiana 46140
(317) 462-7761

Kingsbury Industrial Park
P.O. Box 326
Kingsbury, Indiana 46345
(219) 393-3561

Produces pre-decorated coils of aluminum and steel.

Consumer Operations:

Arvin Air
500 South 15th Street
Phoenix, Arizona 85034
(602) 257-0060

Manufactures portable electric heaters, wind turbine attic ventilators, evaporative coolers.

Automotive Aftermarket Division,
Arvin Supreme, Inc.
Columbus, Indiana

Highway 62 West
P.O. Box 800
Princeton, Kentucky 42445
(502) 365-5505

Manufacturer and distributor of exhaust systems to private customers.

Arvin Finance Corporation
1531 E. 13th Street
Columbus, Indiana 47201
(812) 379-3000

Provides real estate financing, ownership and leasing capabilities to Arvin's operations divisions.

Arvin International, Inc.
1531 E. 13th Street
Columbus, Indiana 72401
(812) 379-3000

Arvin (Taiwan) Ltd.
P.O. Box 58202
Taipei, Taiwan RoC 100

Transfer Agent(s):

Harris Trust and Savings Bank
Chicago, Illinois

Stock Exchange(s): New York, Midwest

Ticker Symbol: ARV

Number of Employees:

1985	11,400	1982	8,000
1984	12,700	1981	8,000
1983	10,000		

Plant Footage:

1985	6,914,000 sq. ft.	1982	N.A.
1984	7,205,000	1981	5,800,000
1983	N.A.		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 820,995,000	$ 35,872,000
1984	781,986,000	30,226,000
1983	600,605,000	18,338,000
1982	513,905,000	10,866,000
1981*	495,136,000	12,424,000

	No. of Com. Shares +	Earn. per Share ‡
1985	16,632,000	$ 2.21
1984	15,136,000	1.94
1983	15,124,000	1.19
1982	14,025,000	0.70
1981*	13,707,000	0.82

* 53 weeks.
+ Adjusted to reflect stock splits.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Automotive	$ 461,811	$ 339,936
Consumer	193,557	280,023
Government	92,940	90,466
Industrial	72,687	71,561
Total	$ 820,995	$ 781,986

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.61	—	4-for-3
1984	0.57	—	3-for-2
1983	0.56	—	—
1982	0.56	—	—
1981	0.56	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1985	$ 246,964,375	$ 14.85
1984	202,499,950	13.38
1983	182,136,200	12.04
1982	164,252,925	11.71
1981	159,222,000	11.68

+ After allowing for preferred stock at liquidation value.
‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 820,995	$ 781,986
Other income	1,764	5,212
Total Income	$ 822,759	$ 787,198
Cost of sales	686,855	663,085
Expenses	65,867	62,624
Interest expense	6,322	7,801
Income before taxes	$ 63,715	$ 53,688
Income taxes	27,843	23,462
Net Income	$ 35,872	$ 30,226

* Included in Costs and Expenses, Depeciation: $19,486,000 in 1985 and $17,068,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash and temp. investments	$ 32,551	$ 21,031
Accts. receiv., net	96,113	87,435
*Inventories	75,835	81,545
Other current assets	5,494	10,337
Current Assets	$ 209,993	$ 200,348
#Fixed assets	146,504	131,865
Other assets	18,696	17,860
Special tools	3,626	4,382
Total Assets	$ 378,819	$ 354,455

Liabilities
(000's)

Notes payable and long-term debt, curr.	$ 4,169	$ 4,716
Accts. payable	23,437	35,294
Accruals	26,678	28,135
Income taxes	3,589	2,667
Curr. Liabilities	$ 57,873	$ 70,812
Long-term debt	56,718	63,773
Deferred inc. taxes	14,290	11,220
+ Preferred stock	2,795	6,368
+ + Common stock	42,771	28,735

Arvin Industries, Inc.

Add. paid-in capital	40,763	30,462
Retained earnings	171,589	145,779
Cumulative translation adjustment	(898)	(572)
Treasury stock	(7,082)	(2,122)
Total Liabilities & Shareholders' Equity	$ 378,819	$ 354,455

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
+ + $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.76	6.87
%Net Income to Sales	4.37	3.87
%Net Income to Equity	14.35	14.49
Sales to Inventories	10.83	9.59
Debt to Equity	0.24	0.33
Working Capital	$152,120,000	$129,536,000
Current Ratio	3.63	2.83
Shareholders' Equity	$249,938,000	$208,650,000

Astrex, Inc.

150 Fifth Avenue
New York, New York 10011
(212) 989-5000

Officers: Morris Kass, president & chief executive officer; Ronald S. Kass, v.p; Frederick I. Levy, secretary.

Directors: Mark Schindler, Morris Kass, Frederick I. Levy, Ronald S. Kass, Thomas J. Sandleitner, Harvey Martin.

Areas of Work: Distributor of electronic parts and components in the Delaware Valley, New York and New England areas.

Divisions and Subsidiaries:

Resco Electronics Division
Pennsauken, New Jersey
(609) 662-4000

Progress Electronics Co., Inc.
Plainview, New York

Progress International Ltd.
Plainview, New York
(516) 433-1700

T.F. Cushing, Inc.
Springfield, Massachusetts
(413) 788-7341

Connector Company Division
Hamden, Connecticut
(203) 624-0127

ASI Electronics Corporation
Endwell, New York
(607) 754-3823

Transfer Agent(s):

Bradford Trust Company (common stock)
New York, New York

United States Trust Company of New York (Debentures)
New York, New York

Stock Exchange(s): American

Ticker Symbol: ASI

Sales and Earnings

	Net Sales +	Net Income
1985	$ 28,284,379	$ 1,471,964
1984	23,578,712	(1,040,844)
1983	21,358,731	993,143
1982	27,153,818	326,139
1981	30,014,162	2,416,263

	No. of Com. Shares ‡	Earn per Share ‡
1985	1,534,312	$ 0.96
1984	1,600,014	—
1983	1,603,764	0.62
1982	1,667,360	0.20
1981	1,570,632	1.54

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 6,959,077	$ 4.54
1984	8,818,220	5.51
1983	9,859,064	6.15
1982	8,933,421	5.36
1981	16,560,590	10.54

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1985	1984
Net sales	$ 28,284,379	$ 23,578,712
Cost of sales	19,021,097	16,024,128
Expenses	5,570,638	5,237,892
Prov. for doubt. accts.	43,004	27,426
Interest expense	1,112,631	651,678
Interest income	(172,363)	(82,697)
Gain on debentures	(9,607)	(2,045)
Income before taxes	$ 2,718,979	$ 1,722,330
Income taxes	1,247,015	828,399
Inc.- cont. oper.	$ 1,471,964	$ 893,931
Loss - discont. oper.	—	(1,934,775)
Net Income (Loss)	$ 1,471,964	$ (1,040,844)

*Included in Costs and Expenses, Depreciation and Amortization: $228,647 in 1985 and $178,475 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 1,428,041	$ 1,929,370
Certificate of deposit	2,975,000	—
Accts. & notes receiv., net	3,975,498	3,290,338
Refund inc. taxes	—	682,636
*Inventories	10,783,672	10,036,583
Prepaid expenses	70,874	208,235
Due from former subsid.	417,910	375,000
Deferred income taxes	1,088,707	1,493,400
Current Assets	$ 20,739,702	$ 18,015,562
#Fixed assets	865,222	961,728
Prop. held for resale	2,282,592	—
Other assets	213,313	413,632
Deferred income taxes	175,040	—
Due from former subsid.	—	1,125,000
Intangibles	1,019,674	1,019,674
Total Assets	$ 25,295,543	$ 21,535,596

Liabilities

Notes payable	$ 4,475,000	$ 1,000,000
Loans payable	287,900	—
Long-term debt., curr.	1,207,170	726,941
Accts. payable	1,065,975	1,760,619
Accruals	321,676	359,899
Income taxes	210,708	—
Due to former subsid.	2,538,567	3,000,000
Curr. Liabilities	$ 10,106,996	$ 6,847,459
Deferred compensation	161,292	57,392
Long-term debt	8,068,178	5,531,309
Def. income taxes	—	281,216
+Common stock	302,390	302,390
Add. paid-in capital	9,601,383	9,601,383
Retained earnings	3,270,490	1,798,526
Treasury stock	(6,215,186)	(2,884,079)
Total Liabilities & Shareholders' Equity	$ 25,295,543	$ 21,535,596

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.16⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	9.61	—
%Net Income to Sales	5.20	—
%Net Income to Equity	21.15	—
Sales to Inventories	1.98	2.35
Debt to Equity	2.62	0.82
Working Capital	$10,632,706	$11,168,103
Current Ratio	2.05	2.63
Shareholders' Equity	$ 6,959,077	$ 8,818,220

Astro-Med, Inc.

(formerly Atlan-Tol Industries, Inc.)

Astro-Med Industrial Park
600 East Greenwich Avenue
West Warwick, Rhode Island 02893
(401) 828-4000

Officers: Albert W. Ondis, chairman & chief executive officer; Everett V. Pizzuti, president & chief operating officer; Jacques V. Hopkins, secretary; Eugene S. Libby, v.p.-treasurer & chief financial officer; David M. Gaskill, v.p.-research & development.

Directors: Albert W. Ondis, Jacques V. Hopkins, Edward M. Watson, Everett V. Pizzuti, Allan M. Gittleman.

Areas of Work: Designs, develops, manufactures and sells a comprehensive line of high speed graphic recording and printing systems.

Subsidiaries:

Astro-Med International, Inc.
Foreign Sales Corporation (FSC).

Transfer Agent(s):

Fleet National Bank
Providence, Rhode Island

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ALOT (NASDAQ)

Number of Employees:

1985	180	1983	230
1984	175	1982	210

Plant Footage:

1985	67,000 sq. ft.	1983	108,000
1984	80,000	1982	115,000

Sales and Earnings

	Net Sales †	Net Income
1986	$ 10,687,000	$ 931,884
1985	9,905,000	1,027,243
1984	7,980,000	1,762,000
1983	6,695,000	59,000
1982	5,913,000	356,000

	No. of Com. Shares +	Earn. per Share #
1986	2,138,994	$ 0.43
1985	2,036,253	0.57
1984	1,628,028	1.01
1983	1,624,158	0.01
1982	1,624,158	0.21

† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 9,299,256	$ 4.35
1985	8,115,995	3.99
1984	3,881,316	2.38
1983	2,099,409	1.29
1982	2,081,505	1.28

‡ Adjusted to reflect stock split.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 10,686,771	$ 9,904,875
Cost of sales	5,958,489	5,249,978
Expenses	3,720,520	2,950,305
Int. income	(138,624)	(144,548)
Other income	(112,498)	(41,441)
Inc. bef. taxes	$ 1,258,884	$ 1,890,581
Income taxes	327,000	816,000
Minority interest	—	211,438
Inc. - cont. oper.	$ 931,884	$ 863,143
Income - disc. oper.	-	164,100
Net Income	$ 931,884	$ 1,027,243

* Included in Costs and Expenses, Depreciation and Amortization: $156,913 in 1986 and $195,468 in 1985.

Assets

As of Jan. 31	1986	1985
Cash	$ 92,871	$ 332,761
Short-term invest.	2,457,130	4,010,615
Trade accts. & notes receiv.	2,222,827	2,295,694
*Inventories	2,060,761	1,603,063
Prepaid expenses & other assets	518,815	218,760
Current Assets	$ 7,352,404	$ 8,460,893
#Fixed assets	5,638,931	3,079,671
Other assets	1,780,035	1,476,200
Total Assets	$ 14,771,370	$ 13,016,764

Liabilities

Long-term debt, curr	$ 409,703	$ 156,835
Accts. payable	848,494	862,505
Accruals	642,896	1,805,872
Curr. Liabilities	$ 1,901,093	$ 2,825,212
Long-term debt	3,162,565	1,445,752
Deferred inc. taxes	408,456	274,302
+ Redeem. pref. stock	—	355,503
+ + Common stock	106,950	101,813
Add. paid-in capital	4,279,401	3,773,243
Retained earnings	5,155,707	4,240,939
Treasury stock	(242,802)	—
Total Liabilities & Shareholders' Equity	$ 14,771,370	$ 13,016,764

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $10 par value.
+ + $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.78	—
%Net Income to Sales	8.72	—
%Net Income to Equity	10.02	12.66
Sales to Inventories	5.19	0.56
Debt to Equity	0.38	0.20
Working Capital	$5,451,311	$5,635,681
Current Ratio	3.87	2.99
Shareholders' Equity	$9,299,256	$8,115,995

Astrosystems, Inc.

6 Nevada Drive
Lake Success, New York 11042
(516) 328-1600

Officers: Seymour Barth, chairman of the board & president; Elliot J. Bergman, vice president & secretary; Gilbert H. Steinberg, vice president & treasurer.

Directors: Seymour Barth, Elliot J. Bergman, Morton L. Certilman, Gilbert H. Steinberg.

Areas of Work: Designs and manufactures proprietary electronic and electromcehanical products for precision monitoring and control of industrial, military and aerospace processes, and often used in conjunction with computers, programmable controllers and microsprocessors.

Subsidiaries:

Astrosystems International, Inc. (FISC)
6 Nevada Drive
Lake Success, New York 11042

Astropower Division
30 Lovett Avenue
Newark, Delaware 19711

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ASTR (NASDAQ)

Number of Employees:

1985	170	1982	110
1984	130	1981	110
1983	130		

Plant Footage:

1985	37,000 sq. ft.	1982	25,000
1984	33,000	1981	25,000
1983	25,000		

Sales and Earnings

	Net Sales	Net Income
1985*	$ 7,422,000	$ 1,853,000
1984	11,495,000	3,258,000
1983	10,371,000	3,211,000
1982	9,207,000	2,554,000
1981	8,060,000	1,901,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985*	4,995,000	$ 0.35
1984	4,976,000	0.61
1983	4,974,000	0.57
1982	4,882,000	0.52
1981	4,304,000	0.44

* 10 months.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 25,668,000	$ 5.14
1984	23,744,000	4.77
1983	20,482,000	4.12
1982	17,014,000	3.49
1981	14,461,000	3.36

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended	6/30/85	8/31/84 (10 months)
Net sales	$ 7,422,000	$ 11,495,000
Cost of sales	4,015,000	6,029,000
Expenses	1,840,000	1,671,000
Other income	(1,685,000)	(2,007,000)
Income before taxes	$ 3,252,000	$ 5,802,000
Income taxes	1,399,000	2,544,000
Net Income	$ 1,853,000	$ 3,258,000

* Included in Costs and Expenses, Depreciation and Amortization: $54,000 in 1985 and $47,000 in 1984.

Assets

	6/30/85	8/31/84
Cash	$ 1,275,000	$ 205,000
Marketable securities	19,387,000	18,364,000
Accts. & notes receiv.	5,706,000	7,072,000
*Inventories	4,453,000	1,993,000
Prepaid expenses & other assets	533,000	581,000
Current Assets	$ 31,354,000	$ 28,215,000
Marketable securities	—	517,000
#Fixed assets	185,000	191,000
Total Assets	$ 31,539,000	$ 28,923,000

Liabilities

Accts. payable	$ 143,000	$ 352,000
Accruals	631,000	740,000
Accrued payroll & profit sharing	609,000	466,000
Income taxes	237,000	962,000
Curr. Liabilities	$ 1,620,000	$ 2,520,000
Deferred taxes	4,251,000	2,659,000
+ Common stock	499,000	498,000
Add. paid-in capital	7,241,000	7,171,000
Retained earnings	17,928,000	16,075,000
Total Liabilities & Shareholders' Equity	$ 31,539,000	$ 28,923,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	43.82	50.47
%Net Income to Sales	24.97	28.34
%Net Income to Equity	7.22	13.72
Sales to Inventories	1.67	5.77
Working Capital	$29,734,000	$25,695,000
Current Ratio	19.35	11.20
Shareholders' Equity	$25,668,000	$23,744,000

Atlantic Research Corporation

5390 Cherokee Avenue
Alexandria, Virginia 22312
(703) 642-4000

Officers: Coleman Raphael, chairman of the board; William H. Borten, president & chief exec. officer; W. Gerald Hamm, exec. v.p. & chief operating officer; Charles B. Henderson, sr. v.p.-research & technology; Keith G. Britton, v.p. & dir.-Teleproducts New Business; George K. Oss, sr. v.p. & gen. mgr.-Teleproducts Div.; Christopher W. Robertson, sr. v.p.-finance & treasurer; James R. Sides, sr. v.p. & gen. mgr.-Propulsion Div.; J. Lightsey Wallace, Jr., v.p. & dir.-Teleproducts Engineering; Aaron J. Larkins, v.p. & gen. mgr.-Electronics & Communications Div.; Paul F. Lunbye, v.p. & dir.-Virginia operations, Propulsion Div.; Keith B. Mullin, v.p. & gen. mgr.-Camden operations, Propulsion Div.; Barbara F. Biendl, secretary; Lambert C. Murphy, v.p.-administration; Robert S. Hinton, v.p.-human resources; Richard L. Swanson, asst. treasurer.

Directors: Coleman Raphael, chairman; William H. Borten, Lawrence A. Goldmuntz, W. Gerald Hamm, Charles B. Henderson, Howard J. Lester, Joseph S. Steinberg.

Atlantic Research Corporation

Areas of Work: The Company's electronic activities consist of the development and manufacture of data communications test equipment which is used in the testing, operating and maintenance of data communications networks. Other segments include electromagnetic engineering and propulsion systems for defense applications.

Divisions:

Propulsion Division
Teleproducts Division
Electronics & Communications Division
Research & Technology Division

Subsidiaries:

Atlantic Research International, Inc.
Foreign sales corporation (FSC).

Atlantic Research Services Corporation

Acquisition(s):

Systematics General Corporation
Sterling, Virginia
Electronic security systems, defense-related data handling and encryption systems, specialized engineering services.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATRC (NASDAQ)

Number of Employees:

1985	2,855
1984	2,618
1983	2,359
1982	1,848
1981	1,574

Sales and Earnings ‡

	Net Sales	Net Income
1985	$ 234,333,000	$ 15,229,000
1984	205,601,000	11,657,000
1983	166,202,000	9,333,000
1982	133,118,000	6,084,000
1981	105,360,000	2,320,000

	No. of Com. Shares #	Earn. per Share #
1985	7,428,760	$ 2.05
1984	7,434,628	1.57
1983	7,432,228	1.26
1982	6,632,008	0.92
1981	6,152,305	0.38

‡ Restated to include operations of Systematics General Corporation, acquired on a pooling of interests basis.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Solid propellant rocket motors	$ 130,080	$ 109,188
Data communications test equipment	36,759	35,809
Electromagnetic engineering	56,614	49,819
Other	10,880	10,785
Total	$ 234,333	$ 205,601

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	3-for-2
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	5-for-4

Common Stock Equity †

	Total Equity	Equity Per Share ‡
1985	$ 73,941,000	$ 9.95
1984	57,522,000	7.74
1983	45,384,000	6.11
1982	35,768,000	5.39
1981	18,669,000	3.03

† Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1985	1984 ‡
Net sales	$ 234,333	$ 205,601
Cost of sales	175,227	152,634
Expenses	36,370	32,722
Interest expense	4,529	4,727
Interest income	(5,641)	(2,870)
Inc. bef. taxes	$ 23,848	$ 18,388
Income taxes	8,619	6,731
Net Income	$ 15,229	$ 11,657

* Included in Costs and Expenses, Depreciation and Amortization: $7,831,000 in 1985 and $6,174,000 in 1984.
‡ Restated.

Assets
(000's)

As at Dec. 31	1985	1984 ‡
Cash	$ 27,780	$ 17,815
Trade receiv., net	55,957	46,465
Unbilled receiv.	11,010	8,968
*Inventories	16,268	19,660
Other assets	2,703	4,016
Current Assets	$ 113,718	$ 96,924
#Fixed assets	51,932	44,849
Other assets	3,645	5,129
Total Assets	$ 169,295	$ 146,902

Liabilities
(000's)

Note payable	$ 1,892	$ 1,119
Long-term debt, curr.	849	867
Oblig. under cap. lease	1,623	1,102
Accts. payable	10,495	9,629
Accruals	8,882	7,582
Other payables	5,274	5,821
Income taxes	13,835	9,614
Curr. Liabilities	$ 42,850	$ 35,734
Long-term debt	41,620	44,754
Oblig. under cap. leases	4,611	5,265
Deferred comp.	1,880	1,439
Deferred inc. taxes	4,393	2,161
Other liabilities	—	27
+ Common stock	752	526
Add. paid-in capital	21,957	20,993
Retained earnings	51,232	36,003
Total Liabilities & Shareholders' Equity	$ 169,295	$ 146,902

‡ Restated.
* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.18	8.94
%Net Income to Sales	6.50	5.67
%Net Income to Equity	20.60	20.27
Sales to Inventories	14.40	10.46
Debt to Equity	0.68	0.92
Working Capital	$70,868,000	$61,190,000
Current Ratio	2.65	2.71
Shareholders' Equity	$73,941,000	$57,222,000

Audiotronics Corporation

7428 Bellaire Avenue
North Hollywood, California 91605
(213) 765-2645

Mailing Address:

Box 3997
North Hollywood, California 91609

Officers: Don E. Warner, chairman of the board & chief executive officer; Charles A. Musson, president & chief exec. officer; Celia S. LaSalle, v.p. & secretary; Allen E. Sawyers, v.p.-product management; James R. Hopkins, sr. v.p.-finance & treasurer; Peter L. Peterson, v.p.-administration; Richard D. Sims, v.p.-industrial relations.

Directors: Don E. Warner*, Celia S. LaSalle*, Charles A. Musson*, Walter Liberato, Robert H. Klugman.

* Member of the Executive Committee.

Areas of Work: Designs, manufactures and markets video displays, monitors, audiovisual products and instructional programs for industry, education and communications.

Subsidiaries:

Audiotronics International, Inc. (DISC)
North Hollywood, California 91605
(213) 765-2645

Audiotronics Taiwan Ltd.
15, Industrial East Four Road
Hsinchu, Taiwan
Republic of China

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
72 Reade Street
New York, N.Y. 10007

Stock Exchange(s): American

Ticker Symbol: ADO

Number of Employees:

1984	286
1983	313
1982	342
1981	407
1980	409

Plant Footage:

1984	N.A.
1983	106,000 sq. ft.

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1984	$ 20,984,000	$ 556,000
1983	17,016,000	(328,000)
1982	22,339,000	321,000
1981	23,132,000	563,000
1980	22,943,000	965,000

	No. of Com. Shares #	Earn. per Share #
1984	1,216,104	$ 0.46
1983	1,212,492	—
1982	1,312,693	0.24
1981	1,158,229	0.49
1980	995,673	0.97

(Loss)
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	$0.05	—	—
1983	0.12	5%	—
1982	0.16	—	—
1981	0.16	—	—
1980	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1984	$ 7,347,000	$ 6.04
1983	8,593,000	7.09
1982	9,051,000	6.89
1981	10,058,000	8.68
1980	6,924,000	6.95

# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1984	1983
Net sales	$ 20,983,772	$ 17,015,821
Cost of sales	16,357,313	14,400,334
Selling expenses	1,625,239	1,517,408
Interest expense	78,922	37,976
Gen. & adm. expense	2,007,354	1,721,200
Income (loss) before taxes	$ 914,944	$ (661,097)
Income taxes (credit)	359,000	(333,000)
Net Income (Loss)	$ 555,944	$ (328,097)

* Included in Costs and Expenses, Depreciation: $287,595 in 1984 and $378,562 in 1983.

Assets

As of June 30	1984	1983
Cash	$ 45,080	$ 340,714
Accts. receiv., net	3,757,596	2,721,784
Refund inc. taxes	—	349,000
Prepaid inc. taxes	47,433	98,862
*Inventories	7,686,474	6,066,563
Prepaid expenses	149,874	41,603
Current Assets	$ 11,686,457	$ 9,618,526
#Fixed assets	910,278	1,033,247
Other assets	122,381	89,335
Total Assets	$ 12,719,116	$ 10,741,108

Liabilities

	1984	1983
Notes payable	$ 1,000,000	$ 385,000
Income taxes	310,050	—
Accts. payable	2,012,803	1,059,161
Accruals	514,384	704,236
Long-term debt, curr	150,000	—
Curr. Liabilities	$ 3,987,237	$ 2,148,397
Long-term debt	1,385,019	—
+ Common stock	1,336,597	1,321,104
Add. paid-in capital	4,265,396	4,166,731
Retained earnings	4,327,174	3,830,648
Treasury stock	(1,047,288)	(725,772)
Employee stock ownership	(1,535,019)	—
Total Liabilities & Shareholders' Equity	$ 12,719,116	$ 10,741,108

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.36	—
%Net Income to Sales	2.65	—
%Net Income to Equity	7.57	—
Sales to Inventories	2.73	2.80
Working Capital	$7,699,220	$7,470,129
Current Ratio	2.93	4.48
Shareholders' Equity	$7,346,860	$8,592,711

Augat Inc.

89 Forbes Boulevard
P.O. Box 448
Mansfield, Massachusetts 02048
(617) 543-4300

Officers: Roger D. Wellington, chairman of the board & chief executive officer; William P. Miller, president & chief operating officer; Gerald F. Barrett, executive v.p., chief financial officer & clerk; Richard M. Grubb, senior v.p.; Richard Eaton, v.p.-human resources; Frank Angelis, group v.p.- components; John A. Braun, group v.p.- systems; Richard Prybyl, group v.p.- broadband communications; L. Harrison Thayer, II, asst. secretary & asst. clerk; John E. Lynch, Jr., treasurer; Daniel J. Maher, Jr., corporate controller.

Directors: Robert S. Laurence, Ernest H. Augat, Samuel S. Dennis, III, James A. Harmon, Roger D. Wellington, Vernon R. Alden, Gerald F. Barrett, David V. Ragone, William P. Miller, Richard B. Young.

Areas of Work: Designs and manufactures electromechanical components, and precision materials for the electronic industry. The Company's principle products include integrated circuit sockets and accessories, coaxial cable network and fiber-optic interconnection products, subminiature switches, high reliability packages for microcircuits, packaging panels, computer aided design and wiring services, interconnection test probes and systems, and custom connector assemblies for the automotive and telecommunications industry.

Divisions and Subsidiaries:

Interconnection Components Division
Attleboro & Mashpee, Massachusetts; Carol Stream, Illinois; Sanford, Maine

Interconnection Systems Division
Attleboro, Massachusetts
El Campo & Houston, Texas
Newbury Park, California

Isotronics, Inc.
New Bedford, Massachusetts

Alcoswitch
North Andover, Massachusetts

Reed Devices, Inc.
Carol Stream, Illinois

Broadband Communications Products Group
Horseheads & Elmira, New York
Jupiter, Florida
El Paso, Texas
Pawtucket, Rhode Island

Automatic Test Equipment
North Attleboro, Massachusetts
Hawthorne, California
Smithfield, Rhode Island
Upland, California

Customized Connectors
Bellevue & Seattle, Washington
Boyne City, East Jordan & Mt. Clemens, Michigan

Microcircuit Packaging
New Bedford, Massachusetts
Saddle Brook, New Jersey
San Antonio, Texas

Precision Components
Bioggio, Switzerland

Altair International, Inc.
Telzon, Inc.

International Marketing

Augat Ltd.
Milton Keynes, England

Augat S.A.
Fresnes, France

Augat A.G.
Zug, Switzerland

Augat GmbH
Munich, Germany

Augat A.B.
Stockholm, Sweden

Augat Pty.
Sidney, Australia

Augat Srl
Milan, Italy

Augat KK
Tokyo, Japan

Augat Electronics, Inc.
Mississauga, Canada

Transfer Agent(s):

Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AUG

Number of Employees:

1985	3,800	1982	3,400
1984	4,000	1981	3,400
1983	3,800		

Plant Footage:

1985	1,378,000 sq. ft.	1982	833,000
1984	1,311,000	1981	765,000
1983	1,064,000		

Sales and Earnings

	Net Revenues	Net Income †
1985	$ 255,038,000	$ 12,064,000
1984	257,110,000	24,119,000
1983	229,732,000	22,237,000
1982	205,466,000	20,834,000
1981	203,338,000	23,361,000

	No. of Com. Shares #	Earn. per Share #†
1985	17,717,000	$ 0.68
1984	17,666,000	1.37
1983	17,181,000	1.29
1982	16,533,000	1.26
1981	16,373,000	1.43

† Including extraordinary loss of $3,510,000 ($0.21 per share) in 1983.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.38	—	—
1984	0.32	—	—
1983	0.32	—	—
1982	0.32	—	—
1981	0.32	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 203,597,000	$ 11.49
1984	190,229,000	10.77
1983	174,870,000	10.18
1982	128,270,000	7.76
1981	113,086,000	6.91

+ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net revenues	$ 255,037,640	$ 257,109,691
Cost of sales	183,213,356	167,113,442
Expenses	57,041,875	53,912,008

Interest income	(3,789,779)	(3,835,159)
Interest expense	1,400,099	1,152,687
Income before taxes	$ 17,172,089	$ 38,766,713
Income taxes	5,084,000	14,483,000
Minority interest	24,000	165,000
Net Income	$ 12,064,089	$ 24,118,713

* Included in Costs and Expenses, Depreciation and Amortization: $10,981,943 in 1985 and $9,311,188 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & time deposits	$ 19,612,006	$ 16,283,357
Short-term investments	33,329,275	33,888,488
Accts. receiv., net	49,773,598	45,708,340
*Inventories	67,141,170	72,925,264
Prepaid expenses	1,364,209	743,492
Current Assets	$ 171,220,258	$ 169,548,941
#Fixed assets	91,719,673	78,014,410
Other assets	4,128,979	3,590,333
Total Assets	$ 267,068,910	$ 251,153,684

Liabilities

Notes payable	$ 5,781	$ 1,059,319
Long-term debt, curr.	888,866	840,174
Accts. payable	13,879,764	10,131,705
Accrued payroll and other compensation	9,721,387	8,645,044
Taxes payable	8,104,177	10,188,286
Other accruals	6,548,505	6,575,142
Curr. Liabilities	$ 39,148,480	$ 37,439,670
Long-term debt	14,991,375	15,642,119
Minority interest	753,048	748,048
Deferred inc. taxes	8,579,055	7,095,055
+Common stock	1,774,256	1,768,907
Add. paid-in capital	54,136,297	53,080,810
Retained earnings	149,799,213	144,468,096
Curr. trans. adj.	(2,112,814)	(9,089,021)
Total Liabilities & Shareholders' Equity	$ 267,068,910	$ 251,153,684

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.73	15.08
%Net Income to Sales	4.73	9.38
%Net Income to Equity	5.93	12.68
Sales to Inventories	3.80	3.53
Debt to Equity	0.08	0.09
Working Capital	$132,071,778	$132,109,271
Current Ratio	4.37	4.53
Shareholders' Equity	$203,596,952	$190,228,792

Ault Incorporated

1600 Freeway Boulevard
Minneapolis, Minnesota 55430
(612) 560-9300

Officers: Frederick M. Green, president & chief exec. officer; Carlos S. Montague, v.p., treasurer, chief financial officer & asst. secretary; Gerald E. Magnuson, secretary.

Directors: Frederick M. Green, Herbert D. Bissell, Cyrus E. Johnson, Delbert W. Johnson, John G. Kassakian, Edward C. Lund, Luther T. Prince, John I. Tansil, Robert F. Zicareli.

Areas of Work: Designs, manufactures and markets electronic power conversion products, including power supplies, transformers and battery chargers, which are marketed primarily to the data communications, telecommunications, and small computer and peripherals markets.

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AULT (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 13,204,000	$ (1,124,000)
1984	17,745,000	644,000
1983	13,343,000	667,000
1982	7,081,000	294,000
1981	5,438,000	111,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,964,000	$ —
1984	1,840,000	0.35
1983	1,314,000	0.51
1982	1,286,000	0.23
1981	1,267,000	0.09

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	6-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 7,206,000	$ 3.67
1984	8,433,000	4.58
1983	1,727,000	1.31
1982	1,007,000	0.78
1981	712,000	0.56

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	6/2/85	6/3/84
Net sales	$ 13,203,879	$ 17,745,465
Cost of sales	11,109,877	13,620,797
Expenses	3,642,062	3,469,510
Interest expense	84,239	147,088
Interest income	(123,075)	(170,250)
Other expenses	4,638	13,322
Income (loss) before taxes	$ (1,513,862)	$ 664,998
Income taxes (credit)	(390,000)	21,000
Net Income (Loss)	$ (1,123,862)	$ 643,998

* Included in Costs and Expenses, Depreciation: $582,717 in 1985 and $416,946 in 1984.

Assets

As of	6/2/85	6/3/84
Cash & temp. cash invest.	$ 1,317,905	$ 1,597,441
Accts. receiv., net	1,752,414	3,071,739
Refundable taxes	316,000	279,750
*Inventories	3,144,515	4,232,993
Prepaid expenses	32,992	37,561
Current Assets	$ 6,563,826	$ 9,219,484
#Fixed assets	1,894,741	2,118,891
Other assets	2,851	33,684
Total Assets	$ 8,461,418	$ 11,372,059

Liabilities

Notes payable	$ —	$ 1,225,000
Long-term debt, curr.	31,288	25,000
Accts. payable	594,467	919,054
Accrued compensation	379,319	468,186
Other accruals	114,972	176,778
Curr. Liabilities	$ 1,120,046	$ 2,814,018
Long-term debt	135,088	25,000
Deferred inc. taxes	—	100,000
+Common stock	6,647,708	6,648,543
Retained earnings	558,576	1,784,498
Total Liabilities & Shareholders' Equity	$ 8,461,418	$ 11,372,059

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.75
%Net Income to Sales	—	3.63
%Net Income to Equity	—	7.64
Sales to Inventories	4.20	4.19
Debt to Equity	0.02	0.15
Working Capital	$5,443,780	$6,405,466
Current Ratio	5.86	3.28
Shareholders' Equity	$7,206,284	$8,433,041

Auric Corporation

470 Frelinghuysen Avenue
Newark, New Jersey 07114
(201) 242-4110

Officers: Maurice Bick, president; Leo Kosowsky, vice president.

Directors: Maurice Bick, Leo Kosowsky, Theodore Cohn, Theodore Doll, Jr.

Areas of Work: Providing chemical products, gold processes and solutions equipment and materials, all of which are used in the electronics, aerospace, computer metal working and jewelry industries.

Divison:

Fidelity Chemical Products Corporation

Transfer Agent(s):

Midlantic National Bank
Newark, New Jersey

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985 35

Plant Footage:

1985 . . . . . . 30,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 8,902,860	$ 255,137
1984	10,975,344	253,482
1983	8,386,893	136,675
1982	9,198,034	126,436
1981	13,694,213	131,571

	No. of Com. Shares	Earn. per Share ‡
1985	401,500	$ 0.64
1984	401,700	0.63
1983	401,700	0.34
1982	401,700	0.32
1981	401,700	0.33

+ Of continuing operations only.
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,329,265	$ 5.80
1984	2,074,828	5.17

1983	1,821,346	4.53
1982	1,684,671	4.19
1981	1,558,235	3.88

Income Account *

Year ended Sept. 30		1985		1984
Net sales	$	8,902,860	$	10,975,344
Cost of sales		6,920,223		9,116,382
Expenses		1,607,437		1,516,884
Interest expense		72,993		72,944
Other income		(69,730)		(70,328)
Income before taxes	$	371,937	$	339,462
Income taxes		116,800		85,980
Net Income	$	255,137	$	253,482

* Included in Costs and Expenses, Depreciation and Amortization: $144,723 in 1985 and $125,333 in 1984.

Assets

As of Sept. 30		1985		1984
Cash	$	1,161,466	$	890,275
Accts. receiv., net		848,707		1,391,632
*Inventories		497,747		606,028
Prepaid exp. & other assets		111,823		46,516
Current Assets	$	2,619,743	$	2,934,451
#Fixed assets		863,915		852,316
Value of life insur.		84,212		54,077
Deferred inc. taxes		20,800		18,000
Other assets		10,785		11,350
Total Assets	$	3,599,455	$	3,870,194

Liabilities

		1985		1984
Note payable	$	55,067	$	—
Long-term debt, curr.		76,428		70,878
Accts. payable		711,193		1,267,075
Accruals		58,431		68,398
Inc. taxes		34,308		53,800
Curr. Liabilities	$	935,427	$	1,460,151
Long-term debt		150,195		226,660
Deferred comp.		184,568		108,555
+Common stock		40,150		40,170
Add. paid-in capital		456,655		457,335
Retained earnings		1,832,460		1,577,323
Total Liabilities & Shareholders' Equity	$	3,599,455	$	3,870,194

* Gold at LIFO. Chemicals, solvents and supplies are valued using the FIFO method.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.18	3.09
%Net Income to Sales	2.87	2.31
%Net Income to Equity	10.95	12.22
Sales to Inventories	17.89	18.11
Debt to Equity	—	—
Working Capital	$1,684,316	$1,474,300
Current Ratio	2.80	2.01
Shareholders' Equity	$2,329,265	$2,074,828

Austron, Inc.

North Interstate 35, Exit 248
P.O. Box 14766
Austin, Texas 78761
(512) 251-2341

Officers: James D. Echols, chairman & president; Robert F. Ellis, sr. v.p.-marketing; Lora J. Adair, v.p.-corp. administration & secretary; Edward J. Corbett, v.p.-operations; Stephen R. Slade, v.p.-finance & controller; Linda Hackleman, treasurer.

Directors: James D. Echols, chairman of the board; Robert F. Ellis, John B. Ashe, Donald L. Bradford, Thomas K. Reed, Jr., Benton E. Ryon.

Areas of Work: Manufactures precise time and frequency instruments required by industrial, scientific and military customers for use in communications, space and missile tracking navigation and metrology applications. Also manufactures coding instruments and systems, crystal oscillators, computer channel adapter interface equipment, and other electronic devices.

Subsidiaries:

Austron, Ltd.
Warwickshire, England
Sales, service and technical support center for sales efforts in Europe and the Eastern hemisphere.

Austron Domestic International Sales Corporation (DISC)

Transfer Agent(s):

MBank at Dallas
P.O. Box 225415
Dallas, Texas 75265

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATRN (NASDAQ)

Plant Footage:

1985	50,000 sq. ft.	1984	42,000

Sales and Earnings

		Net Sales +		Net Income +
1985	$	7,846,000	$	489,000
1984		7,466,000		679,000
1983		5,098,000		330,000
1982		3,925,000		241,000
1981*		1,554,000		61,000

	No. of Com. Shares ‡	Earn. per Share + ‡
1985	3,600,000	$ 0.14
1984	3,594,000	0.19
1983	3,589,000	0.09
1982	2,229,000	0.10
1981*	2,009,000	0.03

* 6 months.
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity*

		Total Equity	Equity Per Share ‡
1985	$	6,415,089	$ 1.78
1984		5,925,678	1.65
1983		5,238,778	1.46
1982		4,992,511†	2.24

† After allowing for preferred stock at stated value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30		1985		1984
Net sales	$	7,846,141	$	7,466,228
Cost of sales		4,336,689		4,122,220
Expenses		2,881,601		2,574,858
Interest income		(177,016)		(187,849)
Gain on sales of securities		(62,640)		—
Interest expense		219,993		162,508
Other charges		23,103		452
Income before taxes	$	624,411	$	794,039
Income taxes		135,000		115,000
Net Income	$	489,411	$	679,039

* Included in Costs and Expenses, Depreciation and Amortization: $345,779 in 1985 and $272,256 in 1984.

Assets

As of June 30		1985		1984
Cash & int. bearing deposits	$	1,876,313	$	2,183,349
Marketable securities		121,250		—
Accts. receiv., net		1,251,841		1,389,115
Refundable taxes		107,562		—
Other receivables		11,134		3,141
*Inventories		3,078,283		2,629,180
Prepaid expenses		38,018		56,059
Current Assets	$	6,484,401	$	6,260,844
#Fixed assets		2,756,799		2,554,609
Other assets		351,090		386,174
Total Assets	$	9,592,290	$	9,201,627

Liabilities

		1985		1984
Long-term debt, curr.	$	276,096	$	228,204
Accts. payable		398,069		334,550
Accrued payroll		374,414		364,948
Other accruals		146,660		114,833
Income taxes		—		69,859
Curr. Liabilities	$	1,195,239	$	1,112,394
Long-term debt		1,738,962		2,025,555
Deferred inc. taxes		243,000		138,000
+Common stock		44,999		44,999
Add. paid-in capital		3,410,756		3,410,756
Retained earnings		2,959,334		2,469,923
Total Liabilities & Shareholders' Equity	$	9,592,290	$	9,201,627

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.0125 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.96	10.64
%Net Income to Sales	6.24	9.09
%Net Income to Equity	7.63	11.46
Sales to Inventories	2.55	2.84
Debt to Equity	0.31	0.38
Working Capital	$5,289,162	$5,148,450
Current Ratio	5.43	5.63
Shareholders' Equity	$6,415,089	$5,925,678

Automatix Incorporated

1000 Tech Park Drive
Billerica, Massachusetts 01821
(617) 667-7900

Officers: Philippe Villers, chairman of the board; Michael J. Cronin, president & chief exec. officer; John J. Dias, v.p.-finance & treasurer; Donald L. Pieper, v.p.-research & development; Victor Scheinman, v.p.-advanced systems; Michael N. Schuh, v.p.-marketing; David L. Engel, secretary.

Directors: Philippe Villers, chairman; Michael J. Cronin, Denise T. Davidoff, Samuel F. McKay, Evelyn F. Murphy, William R. Thurston, Jerome B. Wiesner.

Areas of Work: Development and installation of Adaptive Automation modules and systems for use primarily in factories.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AITX (NASDAQ)

Number of Employees:

1985	291	1982	145
1984	368	1981	91
1983	269		

Sales and Earnings

		Revenues		Net Income
1985	$	27,571,000	$	(5,594,000)
1984		20,058,000		(14,193,000)
1983		13,011,000		(2,056,000)
1982		8,054,000		(429,000)
1981		3,022,000		(2,624,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1985	10,930,000	$ —
1984	10,858,000	—
1983	10,457,000	—
1982	9,110,000	—
1981	8,611,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 13,223,000	$ 1.21
1984	18,130,000	1.67
1983	31,979,000	3.06
1982	11,720,000	1.29
1981	6,468,000	0.75

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Revenues	$ 27,571	$ 20,058
Cost of sales	15,581	16,629
Expenses:		
Research & develop.	10,083	9,384
Marketing	5,982	6,781
Gen. & administrative	1,964	2,717
Sales and Earnings		
Interest income	$ (445)	$ (1,260)
Net Loss	(5,594)	(14,193)

* Included in Costs and Expenses, Depreciation and Amortization: $362,000 in 1985 and $507,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 4,289	$ 2,761
Restricted funds	1,161	3,950
Accts. receiv., net	5,321	7,308
Unbilled contracts	1,299	140
Other receivables	199	500
*Inventories	5,556	9,836
Other curr. assets	288	398
Current Assets	$ 18,113	$ 24,893
#Fixed assets	657	821
Invest. in res. & develop. partnership	116	500
Other assets	551	551
Total Assets	$ 19,437	$ 26,765

Liabilities
(000's)

	1985	1984
Adv. from customers	$ 2,391	$ 2,010
Accruals	498	682
Deferred res. & develop. contract rev.	2,048	1,593
Curr. Liabilities	$ 6,214	$ 8,635
+Common stock	548	545
Add. paid-in capital	38,962	38,704
Accum. deficit	(26,307)	(20,713)
Eq. adjust from for. curr. trans.	20	(406)
Total Liabilities & Shareholders' Equity	$ 19,437	$ 26,765

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

Sales to Inventories	4.96	2.04
Working Capital	$11,899,000	$16,258,000
Current Ratio	2.91	2.88
Shareholders' Equity	$13,223,000	$18,130,000

Auto-trol Technology Corporation

12500 North Washington Street
P.O. Box 33815
Denver, Colorado 80233
(303) 452-4919

Officers: Howard B. Hillman, chairman of the board & president; Paul J. Jerde, v.p.-internal operations, treasurer & secretary; Jerry T. Sisson, v.p.-field operations; Carole L. Goodall, asst. treasurer; J. Bruce Hanley, v.p.-research & development; Clarisse L. Jackson, asst. secretary.

Directors: Howard B. Hillman, chairman; James B. Farinholt, Jr., William R. Hambrecht, J. Roderick Heller, III.

Areas of Work: Develops, manufactures, markets and services computer aided design/computer aided manufacturing (CAD/CAM) systems.

Subsidiaries:

Auto-trol International Corporation
Auto-trol Technology Europe, Ltd.
Auto-trol Ventures, Inc.
Auto-trol Acquisitions, Inc.
Auto-Technology (Canada) Ltd.
Spats & Associations, Inc.
ATTC International Sales Corporation

Selenia-Autotrol S.A.
31, Rue Delizy
93500 Pantin, France

Selenia-Autotrol GmbH
Wanheimerstr. 39
4000 Dusseldorf 30
West Germany

Auto-trol SRI
Corso Svizzera 185
10147 Torino
Italy

Auto-trol Technology Australia
Suite 1603, Northpoint
100 Miller Street
North Sydney, NSW 2060
Australia

Selenia-Autotrol Ltd.
Neville House
42/46 Hagley Road
Edgbaston
Birmingham B16 BPZ England

Selenia-Autotrol S.p.A.
Torre Nuova Carignano
Via Ravasco, 10
16128 Genova, Italy

Auto-trol Scandinavia AB
Stortorget 25
21134 Malmo, Sweden
Selenia-Autotrol S.r.l.
Foro Bonaparte, 63
20121 Milan
Italy

Auto-trol S.r.l.
Viale del Policlinico, 145
00161 Rome
Italy

Selenia-Autotrol S.A.
Stephanieplein, 10 Bte 5
1050 Brussels
Belgium

Selenia-Autotrol GmbH
Paul-Gerhardt-Allee 50
8000 Munich 60
West Germany

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ATTC (NASDAQ)

Number of Employees:

1985	672	1982	564
1984	666	1981	539
1983	579		

Plant Footage:

1985	125,000 sq. ft.	1982	125,000
1984	139,000	1981	102,000
1983	125,000		

Sales and Earnings

	Revenues	Net Income †
1985	$ 65,360,000	$ (11,679,000)
1984	68,927,000	2,752,000
1983	54,129,000	(3,276,000)
1982	43,990,000	(7,568,000)
1981	46,287,000	(3,272,000)

	No. of Com. Shares #	Earn. per Share #†
1985	4,809,000	$ —
1984	4,731,000	0.58
1983	3,910,000	—
1982	3,600,000	—
1981	3,157,000	—

(Loss)
† Including extraordinary gain of $1,300,000 ($0.27 per share) in 1984.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 30,220,000	$ 6.28
1984	34,602,000	7.31
1983	30,127,000	7.71
1982	21,667,000	6.02
1981	23,427,000	7.42

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 65,360,000	$ 68,927,000
Cost of sales & services	38,954,000	35,992,000
Expenses	34,392,000	29,089,000
Interest expense	2,386,000	1,228,000
Interest income	(278,000)	(134,000)
Inc. (loss) bef. taxes	$ (10,094,000)	$ 2,752,000
Income taxes	1,585,000	1,300,000
Net Income (Loss)	$ (11,679,000)	$ 1,452,000
Extraord. gain	—	1,300,000
Net Income (Loss) & Extraord. Gain	$ (11,679,000)	$ 2,752,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,077,000 in 1985 and $2,980,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 1,496,000	$ 781,000
Receiv., net	11,107,000	17,416,000
*Inventories	9,072,000	15,879,000

Prepaid expenses & serv. parts	1,678,000	1,541,000
Current Assets	$ 23,353,000	$ 35,617,000
#Fixed assets	25,547,000	13,807,000
Investment	2,979,000	5,816,000
Service parts	5,733,000	4,764,000
Other assets	4,500,000	1,086,000
Total Assets	$ 52,112,000	$ 61,090,000

Liabilities

Notes payable	$ —	$ 6,100,000
Long-term debt, curr.	943,000	852,000
Accts. payable	3,081,000	3,534,000
Accrued compen. & rel. taxes	937,000	1,227,000
Oblig. for res. & develop.	—	3,753,000
Other liab.	6,537,000	4,984,000
Income taxes	1,400,000	—
Curr. Liabilities	$ 12,898,000	$ 20,450,000
Long-term liabilities	8,302,000	—
Redeem. Pref. & Class B Common stock	692,000	781,000
+ Common stock	44,490,000	37,070,000
Add. paid-in capital	269,000	269,000
Cum. curr. trans. adjust.	(264,000)	(148,000)
Retained earnings (deficit)	(14,275,000)	(2,589,000)
Total Liabilities & Shareholders' Equity	$ 52,112,000	$ 61,090,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.99
%Net Income to Sales	—	2.11
%Net Income to Equity	—	4.20
Debt to Equity	0.31	0.35
Working Capital	$10,455,000	$15,167,000
Current Ratio	1.81	1.74
Shareholders' Equity	$30,220,000	$34,602,000

Avantek, Inc.

4401 Great America Parkway
Santa Clara, California 95054
(408) 727-0700

Officers: E. Oran Brigham, chairman, chief exec. officer & president; Gary G. Harmon, sr. v.p., chief financial officer & secretary; Robert E. Goff, sr. v.p. & group exec.-Microwave Products Group; Lionel A. Kirton, sr. v.p. & group exec.-Microwave Semiconductor Group; Erik H. van der Kay, sr. v.p. & group exec.-Telecommunications Group; Robert W. Busch, v.p.-administration & human resources; Charles L. Crawshaw, v.p.-services.

Directors: E. Oran Brigham, chairman; Roy A. Anderson, William C. Edwards, James F. Gibbons, William J. Perry, James E. Sterrett, E. Hornsby Wasson.

Areas of Work: Engaged in the design, development, manufacture and marketing of a line of vertically integrated microwave and telecommunications products.

Transfer Agent(s):

First National Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: AVAK (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 190,260,000	$ 17,690,000
1984	159,206,000	17,172,000
1983	119,384,000	11,938,000
1982	100,388,000	11,184,000
1981	81,865,000	9,501,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	19,277,000	$ 0.92
1984	19,092,000	0.90
1983	18,970,000	0.63
1982	18,646,000	0.60
1981	17,362,000	0.55

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 135,962,000	$ 7.08
1984	115,614,000	6.07
1983	94,615,000	5.04
1982	78,874,000	4.27
1981	64,739,000	3.57

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales	$ 190,260	$ 159,206
Cost of sales	105,196	86,934
Expenses	50,750	41,462
Profit sharing	4,622	3,979
Interest expense	200	320
Interest income	(773)	(3,131)
Income before taxes	$ 30,265	$ 29,642
Income taxes	12,575	12,470
Net Income	$ 17,690	$ 17,172

* Included in Costs and Expenses, Depreciation and Amortization: $9,399,000 in 1985 and $6,727,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash	$ 1,755	$ 18,450
Accts. receiv., net	46,335	41,303
*Inventories	43,772	31,295
Prepaid income taxes	—	6,248
Prepaid expenses	1,793	1,070
Current Assets	$ 93,655	$ 98,366
#Fixed assets	81,630	49,898
Total Assets	$ 175,285	$ 148,264

Liabilities
(000's)

Long-term debt, curr.	$ 843	$ 732
Accts. payable	7,789	9,198
Accrued payroll	9,461	8,702
Other accruals	2,746	2,423
Income taxes	—	4,853
Deferred income taxes	1,831	—
Curr. Liabilities	$ 22,670	$ 25,908
Long-term debt	7,058	5,368
+ common stock	49,907	47,240
+ Junior common stock	265	274
Retained earnings	85,790	68,100
Total Liabilities & Shareholders' Equity	$ 175,285	$ 148,264

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	15.91	18.62
Net Income to Sales	9.30	10.79
%Net Income to Equity	13.01	14.85
Sales to Inventories	4.35	5.09
Debt to Equity	0.06	0.05
Working Capital	$ 70,985,000	$ 72,458,000
Current Ratio	4.13	3.80
Shareholders' Equity	$135,962,000	$115,614,000

Avnet, Inc.

767 Fifth Avenue
New York, New York 10153
(212) 644-1050

Officers: Anthony R. Hamilton, chairman of the board & chief executive officer; Leon Machiz, president; Sylvester Herlihy, Joseph Brown, sr. v.p.'s; Harris E. Fischer, sr. v.p. & secretary; Alvin A. Odintz, David Shaw, Irwin Lubalin, Richard Deutsch, Stanley Benerofe, Edward Stimer, Leo Brown, Jordan Berman, Edward Kaniger, Daniel M. Robbin, Donald Sweet, George Kokkinakis, John Lane, Morton Vogel, Anthony DeLuca, Milton Graham, Burton Katz, Robert LeBlanc, Steven W. Menefee, v.p.'s; Walter Hyjek, v.p. & controller; William Rose, v.p. & general counsel; John H. Regazzi, v.p. & treasurer; Louis Berger, Marion Winston, Carol Vanderfecht, asst. secretaries.

Directors: Anthony R. Hamilton*, chairman of the board; Harris E. Fischer, Albert A. List*, Louis Berger, Joseph Brown, Sylvester D. Herlihy, George Weissman*, Harry Resnick, Alvin E. Friedman*, Jordan S. Berman, John W. Kenney, J. Sidney Webb, Salvatore J. Nuzzo, Leon Machiz.

* Member of the Executive Committee.

Operating Groups:

Electronic Marketing Group
Culver City, California
Hauppauge, New York
Minneapolis, Minnesota
Salem, Massachusetts

Industrial distributor and assembler of components for the electronic industry and communications, automotive, military and research and development markets. Products lines include semiconductors, transistors, diodes, integrated and hybrid circuits, micro processors, PROM's, capacitors, resistors, relays, digital displays, potentiometers and other devices. Also custom processing and testing of semiconductor chips, manufacturing of hybrid microelectronic circuits and thin film resistor networks, as well as distributing, servicing and leasing computer terminals to end users.

Hamilton/Avnet Electronics
Time Electronics/Electro Air
Loonam Computer Products
Sertech Inc.
FMI
Hybritek
Data Tron
Avnet Technologies
LSI Testing

Electrical and Engineering Group

Brownell Electro/Ward
New York, New York
Denver, Colorado
Electric motors and replacement parts.

Harper S.I.D.
Santa Clara, California
Switches, relays and timers.

Freeman Products
Trophy parts

Lincoln Controls
Hydraulic and pneumatic controls.

Automotive Group

Avnet Machinery
Diecasting machinery

Mechanics Choice
Philadelphia, Pennsylvania

Avnet, Inc.

Distributor of electro-automotive parts and shop supplies to car dealers, service stations and industrial accounts, and fleet owners.

Valley Forge Products
Toronto, Ontario, Canada
Produces and distributes electro-automotive parts in the Canadian and U.S. aftermarket.

Video Communications Group

Channel Master
Smithfield, North Carolina
TV antenna manufacturer, supplier of replacement color television tubes and antennas.

Guild Musical Instruments
Westerly, Rhode Island
Elizabeth, New Jersey
Manufactures and distributes guitars and accessories.

Irving W. Rice & Co., Inc.
New York, New York
Markets a line of imported toiletry containers, night lights and illuminated mirrors.

Avnet International (Taiwan)
Kalhsiung, Taiwan
Stereo music and TV centers, cassette decks, and turntables.

Channel Master Satellite Systems, Inc.
Smithfield, North Carolina
Microwave components for CATV, MATV and satellite television.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: AVT

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 1,164,700	$ 49,384
1984	1,635,500	86,808
1983	1,164,700	50,364
1982	1,112,000	70,470
1981	1,073,000	68,005

	No. of Com. Shares ‡‡	Earn. per Share ‡‡
1985	35,584,000	$ 1.39
1984	36,810,000	2.44
1983	35,204,000	1.43
1982	34,955,000	2.20
1981	34,838,000	1.95

+ Of continuing operations only.
‡‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Revenues By Line of Business
(000's)

	1985	1984
Electronic marketing group	$ 1,159,400	$ 1,252,900
Electrical & engineering	182,600	184,000
Automotive group	56,000	52,900
Video communications	136,200	145,700
Total	$ 1,534,200	$ 1,635,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.50	—	—
1984	0.50	—	—
1983	0.50	—	2-for-1
1982	0.50	—	—
1981	0.45	10%	—

+ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1985	$ 638,392,000	$ 17.97
1984	603,273,000	17.13
1983	528,279,000	15.03
1982	482,411,000	13.93
1981	N.A.	12.39

N.A. - Not Available
‡ After allowing for preferred stock at total liquidation preference value.
# Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended June 30	1985	1984
Net sales	$1,534,172,000	$1,635,540,000
Other income	8,269,000	15,423,000
Total income	$1,542,441,000	$1,650,963,000
Cost of sales	1,122,993,000	1,190,783,000
Expenses	315,267,000	285,536,000
Interest expense	11,113,000	9,025,000
Income before taxes	$ 93,068,000	$ 165,619,000
Income taxes	43,684,000	78,811,000
Net Income	$ 49,384,000	$ 86,808,000

* Included in Costs and Expenses, Depreciation and Amortization: $18,345,000 in 1985 and $14,699,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 10,250,000	$ 4,290,000
Market. securities	118,047,000	87,754,000
Receiv., net	224,619,000	285,366,000
*Inventories	415,191,000	410,662,000
Other curr. assets	13,566,000	10,076,000
Current Assets	$ 781,673,000	$ 798,148,000
#Fixed assets	97,778,000	73,066,000
Intangibles & other assets	37,315,000	39,557,000
Total Assets	$ 916,766,000	$ 910,771,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 3,337,000	$ 3,180,000
Accts. payable	100,244,000	108,244,000
Accruals	51,205,000	50,148,000
Income taxes	6,085,000	24,364,000
Commercial paper	701,000	3,116,000
Dividend payable	4,428,000	4,404,000
Curr. Liabilities	$ 166,000,000	$ 193,456,000
Long-term debt	112,269,000	113,912,000
Preferred stock	1,000	7,000
+ Common stock	35,518,000	35,302,000
Add. paid-in capital	121,915,000	117,321,000
Retained earnings	485,546,000	453,851,000
Treasury stock	(1,807,000)	(1,272,000)
Cum. trans. adjust.	(2,681,000)	(1,806,000)
Total Liabilities & Shareholders' Equity	$ 916,766,000	$ 910,771,000

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sale	6.07	10.13
%Net Income to Sale	3.22	5.31
%Net Income to Equity	7.73	14.39
Sales to Inventories	3.70	3.98
Debt to Equity	0.18	0.19
Working Capital	$615,673,000	$604,692,000
Current Ratio	4.71	4.13
Shareholders' Equity	$638,497,000	$603,403,000

AVX Corporation

60 Cutter Mill Road
Great Neck, New York 11021
(516) 829-8500

Officers: Marshall D. Butler, chairman of the board; Donald K. Thostenson, president; Benedict P. Rosen, exec. v.p.; John Gilbertson, Joe D. Norwood, John Winn, Kim Ritchie, vice presidents; John S. Johnson, controller; Joan Prager, secretary; Joseph R. Sicree, treasurer.

Directors: Marshall D. Butler, chairman; Herbert E. Grier, Ted H. McCourtney, D.K. Patton, Clare Rawson, W. Myron Owen, A. Robert Towbin, Seymour Leslie, Donald K. Thostenson.

Areas of Work: Manufactures multilayer ceramic capacitors (MLCs) — electronic components used extensively in conjunction with integrated circuits in a wide variety of applications.

Divisions and Subsidiaries:

Radial Products Division
Myrtle Beach, SC

Axial & Special Products Division
Conway, SC; Olean, NY

Integrated Capacitor Division
Colorado Springs, Colorado

Integrated Networks, Inc.
Costa Mesa, California
Manufacture of hybrid circuits.

Monolithic Components Corp.

AVX Limited
Aldershot, England; Coleraine, Northern Ireland

AVX K.K.
Tokyo & Fujiyosida, Japan

AVX S.A.
Roven, France

AVX Israel
Jerusalem

Transfer Agent(s):

Harris Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: AVX

Number of Employees:

1985	5,100	1982	3,800
1984	5,785	1981	4,630
1983	5,400		

Plant Footage:

1985	1,053,000 sq. ft.	1982	548,000
1984	779,000	1981	526,000
1983	750,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 178,684,000	$ (12,273,000)
1984	230,907,000	15,528,000
1983	160,854,000	8,670,000
1982	120,309,000	3,668,000
1981	122,667,000	(2,833,000)

	No. of Com. Shares ×	Earn. per Share ×
1985	10,226,296	$ —
1984	9,395,190	1.65
1983	8,847,897	0.98
1982	7,206,405	0.51
1981	7,073,213	—

(Loss)
+ Of continuing operations only.
× Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.24	—	—
1984	0.32	—	—
1983	0.27	—	3-for-2
1982	0.16	—	—
1981	0.21	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 128,313,000	$ 11.72
1984	115,207,000	12.24
1983	98,184,000	11.05
1982	66,758,000	9.38
1981	63,945,000	9.01

† Adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1985	1984
Net sales	$ 178,684,000	$ 230,907,000
Cost of sales	160,690,000	163,903,000
Expenses	33,662,000	33,873,000
Interest income	(2,035,000)	(2,109,000)
Interest expense	10,705,000	7,367,000
Other expense (income)	(1,224,000)	1,114,000
Inc. (loss) bef. taxes	$ (23,114,000)	$ 26,759,000
Inc. taxes (credit)	(10,841,000)	11,231,000
Net Income (Loss)	$ (12,273,000)	$ 15,528,000

Assets

As of Dec. 31	1985	1984
Cash	$ 43,508,000	$ 17,329,000
Marketable securities	—	187,000
Accts. & notes receiv., net	40,030,000	37,075,000
*Inventories	45,490,000	61,336,000
Prepaid inc. taxes	5,548,000	3,300,000
Other assets	1,518,000	1,196,000
Current Assets	$ 136,094,000	$ 120,423,000
#Fixed assets	129,448,000	114,824,000
Assets of discont. oper.	5,978,000	6,235,000
Other assets	2,207,000	1,988,000
Total Assets	$ 273,727,000	$ 243,470,000

Liabilities

Notes payable	$ —	$ 15,750,000
Long-term debt, curr.	1,274,000	2,927,000
Accts. payable	6,601,000	14,579,000
Accruals	12,237,000	13,866,000
Income taxes payable	—	1,838,000
Curr. Liabilities	$ 20,112,000	$ 48,960,000
Long-term debt	111,689,000	69,225,000
Deferred inc. taxes	13,370,000	9,316,000
Other liabilities	243,000	762,000
+Common stock	10,945,000	9,416,000
Add. paid-in capital	90,437,000	73,312,000
Retained earnings	27,207,000	41,865,000
Cum. curr. adjust.	(276,000)	(9,386,000)
Total Liabilities & Shareholders' Equity	$ 273,727,000	$ 243,470,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	11.59
%Net Income to Sales	—	6.72
%Net Income to Equity	—	13.48
Sales to Inventories	3.93	3.76
Debt to Equity	0.88	0.76
Working Capital	$115,982,000	$ 71,463,000
Current Ratio	6.77	2.46
Shareholders' Equity	$128,313,000	$115,207,000

Aydin Corporation

700 Dresher Road
P.O. Box 349
Horsham, Pennsylvania 19044
(215) 657-7510

Officers: Ayhan Hakimoglu, president; Palle Christensen, group v.p. & president-Aydin Microwave; Wilbur L. Creech, sr. v.p.-U.S. government programs; Louis Goetz, group v.p. & president-Aydin Controls; James A. Lohr, v.p. & president-Aydin Computer Systems; Andrew Pungratz, v.p. & president-Aydin Raytor; B. Jack Miller, v.p.-corp. marketing; John Vanderslice, v.p. & president-Aydin Vector; John I. Clements, gen. mgr.-Aydin Systems; Martin Amsler, v.p. & president-Aydin Monitor Systems; Gerry D. Wright, v.p. & president-Aydin Radar & EW; James Whiteside, asst. v.p. & dir.-product assurance & support; Jay L. Landis, treasurer; Jerry Misterman, controller & asst. treasurer; Robert A. Clancy, secretary; Zeynep B. Hakimoglu, asst. secretary; Geraldine A. Hakimoglu, asst. secretary & dir.-investor relations.

Directors: Ayhan Hakimoglu, chairman; Frederick G. Allen, Nev A. Gokcen, Wilbur L. Creech, Harry D. Train, II.

Areas of Work: Designs, manufactures and sells sophisticated microwave and data communications products. Products include microwave line-of-sight radios, troposcatter communication terminals, satellite earth station equipment, digital color and graphic display terminals; ground-based and vehicle-mounted data communication equipment, modems and multiplexers, communications systems and fusion electronics.

Divisions and Subsidiaries:

AYDIN Microwave Division
75 East Trimble Road
San Jose, California 95131
(408) 946-5600
Microwave and digital telecom equipment.

AYDIN Controls (U.K.) Ltd.
64 Wilbury Way
Hitchin, Hertfordshire SG4 OTP
England
Display terminals, workstations, color monitors and computer systems.

AYDIN Monitor Systems Division
502 Office Center Drive
Fort Washington, Pennsylvania 19034
(215) 646-8100
Ground data receiver equipment, bit compression multiplexers, packet switching and military electronics.

AYDIN Systems Division
30 Great Oaks Boulevard
San Jose, California 95119
(408) 629-0100
Telecommunications and air defense systems.

AYDIN Radar & EW Division
32 Great Oaks Boulevard
San Jose, California 95119
(408) 629-1100
Radars and electronic warfare.

AYDIN Vector Division
P.O. Box 328
Friends Lane
Newtown, Pennsylvania 18940
(215) 968-4271
Military avionics and airborne data acquisition.

AYDIN Raytor Division
Commerce Drive
Montgomeryville Industrial Center
Montgomeryville, Pennsylvania 18936
(215) 855-1121
Electronics cabinets and sheet metal.

AYDIN Molded Devices Division
2170 Colorado Avenue
P.O. Box 4001
Santa Monica, California 90404
(213) 829-5327
Vinyl components.

AYDIN Electro Fab Division
960 River Road
Croydon, Pennsylvania 19020
(215) 788-0401
Printed circuit boards.

AYDIN International U.K.
64 Wilbury Way
Hutchin, Hertfordshire SG4 OTP
England
Data acquisition, transmission and receive.

AYDIN Computer Systems Division
700 Dresher Road
Horsham, Pennsylvania 19044
(215) 657-8600
Ground and airborne computer systems.

AYDIN Controls Division
414 Commerce Drive
Fort Washington, Pennsylvania 19034
(215) 542-7800
Color display terminals, workstations and color monitors.

AYDIN Corporation
4660 Kenmore Avenue
Suite 1018
Alexandria, Virginia 22304
(703) 823-9735
Corporate marketing office.

Transfer Agent(s):

Mellon Bank (East) N.A.
One Mellon Plaza
Philadelphia, Pennsylvania 19101

Stock Exchange(s): New York

Ticker Symbol: AYD

Number of Employees:

1985	2,000	1982	2,000
1984	2,000	1981	1,600
1983	2,000		

Plant Footage:

1985	650,000 sq. ft.	1982	605,000
1984	650,000	1981	550,000
1983	650,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 133,019,000	$ 3,799,000
1984	137,500,000	8,965,000
1983	152,911,000	15,778,000
1982	124,308,000	10,284,000
1981	100,424,000	6,321,000

	No. of Com. Shares	Earn. per Share +
1985	4,119,481	$ 0.86
1984	4,477,583	1.95
1983	4,693,525	3.31
1982	4,663,171	2.19
1981	3,456,498	1.35

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Telecommunications	$ 79,000	60%	$ 84,700	62%
Display terminals	41,600	31	38,800	28
Misc. elec.	12,400	9	14,000	10
Total	$133,000	100%	$137,500	100%

Aydin Corporation

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	4-for-3
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 61,348,000	$ 14.89
1984	65,011,000	14.52
1983	62,224,000	13.26
1982	45,675,000	9.79
1981	34,483,000	7.48

+ Adjusted to reflect stock split.

Income Account *

Year Ended Dec. 31	1985	1984
Net sales	$ 133,019,000	$ 137,500,000
Cost of sales	92,094,000	90,811,000
Expenses	36,358,000	33,832,000
Interest income	(310,000)	(1,843,000)
Income before taxes	$ 4,877,000	$ 14,700,000
Income taxes	1,078,000	5,735,000
Net Income	$ 3,799,000	$ 8,965,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,288,000 in 1985 and $3,994,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,963,000	$ 17,328,000
Receiv., net	27,979,000	25,428,000
Unbilled rev.	36,480,000	32,868,000
*Inventories	22,404,000	22,439,000
Prepaid expenses	815,000	994,000
Current Assets	$ 90,641,000	$ 99,057,000
#Fixed assets	32,970,000	31,121,000
Other assets	2,453,000	2,571,000
Total Assets	$ 126,064,000	$ 132,749,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 807,000	$ 336,000
Accts. payable	5,711,000	7,251,000
Accruals	9,354,000	9,375,000
Contract billings in recog. rev.	5,827,000	10,192,000
Income taxes	19,361,000	9,128,000
Curr. Liabilities	$ 41,060,000	$ 36,282,000
Long-term debt	6,775,000	5,755,000
Deferred credits	16,881,000	25,701,000
+ Common stock	4,120,000	4,746,000
Add. paid-in capital	—	7,314,000
Retained earnings	57,228,000	60,101,000
Treasury stock	—	(7,150,000)
Total Liabilities & Shareholders' Equity	$ 126,064,000	$ 132,749,000

* At lower of cost (FIFO, average or specific job cost) or market.
# Less accumulated depreciation
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.67	10.69
%Net Income to Sales	2.86	6.52
%Net Income to Equity	6.19	13.79
Sales to Inventories	5.94	6.13
Debt to Equity	0.12	0.09
Working Capital	$49,581,000	$62,775,000
Current Ratio	2.21	2.73
Shareholders' Equity	$61,348,000	$65,011,000

Badger Meter, Inc.

4545 W. Brown Deer Road
P.O. Box 23099
Milwaukee, Wisconsin 53223
(414) 355-0400

Officers: James O. Wright, chairman of the board; James L. Forbes, president; R. Robert Howard, v.p.-finance, treasurer & secretary; John J. Janik, v.p.-operations; William C. Howland, v.p.-int'l.; William E. Bidgood, v.p.-utility products; William J. Shinners, controller & asst. treasurer; W.H. Vander Heyden, v.p.-industrial products; Rebecca L. Rush, asst. treasurer; Lynne R. Rippey, asst. secretary; Christopher N. Wright, asst. secretary.

Directors: James O. Wright, Robert M. Hoffer, James L. Forbes, Warren B. Riley, Everett G. Smith, Edwin P. Wiley, Donald J. Schuenke, James O. Wright, Jr., Robert K. Thomas.

Areas of Work: Engaged in the production and sale of water meters for homes, industry and business establishments; large flow meters used in wastewater disposal systems, irrigation projects and water purification plants as well as meters and valves for the chemical food processing and power industries.

Divisions and Subsidiaries:

Utility Products Division

Industrial Products Division
Milwaukee, Wisconsin

Badger Meter de Mexico, S.A. de C.V.
Nogales, Sonora, Mexico

Badger Meter Europe, GmbH
Stuttgart, Germany

Medidores Azteca, S.A.
Mexico City, Mexico

Transfer Agent(s):

M&I Marshall & Ilsley Bank
Milwaukee, Wisconsin

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: BMI

Number of Employees:

1984	1,051	1981	1,185
1983	960	1980	1,312
1982	1,086		

Sales and Earnings

	Net Sales +	Net Income
1984	$ 57,613,000	$ 1,534,000
1983	47,647,000	(1,047,000)
1982	49,063,000	(1,473,000)
1981	55,784,000	1,137,000
1980	48,880,000	1,012,000

	No. of Com. Shares	Earn. per Share
1984	1,455,444	$ 1.06
1983	1,423,444	—
1982	1,423,444	—
1981	1,423,444	0.80
1980	1,413,444	0.72

(Loss)
+ Of continuing operations only.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	$0.40	—	—
1983	0.30	—	—
1982	0.30	—	—
1981	0.60	—	—
1980	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 19,163,678	$ 13.17
1983	18,682,180	13.12
1982	20,155,544	14.16
1981	22,055,952	15.49
1980	21,943,026	15.52

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 57,613,386	$ 47,647,444
Cost of sales	40,289,325	33,755,195
Expenses	14,155,909	12,676,922
Interest expense	1,096,669	1,320,985
Foreign currency	43,585	57,294
Gain on sale	(442,000)	—
Other charges	69,422	9,902
Inc. (loss) bef. taxes	$ 2,400,476	$ (172,854)
Income tax (credit)	866,000	(90,000)
Income (loss) - cont. oper.	$ 1,534,476	$ (82,854)
Loss-discont. oper.	—	(963,477)
Net Income (Loss)	$ 1,534,476	$ (1,046,331)

* Included in Costs and Expenses, Depreciation $1,973,461 in 1984 and $1,934,947 in 1983.

Assets

As of Dec. 31	1984	1983
Cash	$ 673,333	$ 775,326
Receiv., net	7,649,846	6,860,210
Refund. inc. taxes	—	500,000
*Inventories	12,088,557	12,771,614
Prepaid expenses	443,081	512,731
Current Assets	$ 20,854,817	$ 21,419,881
#Fixed assets	11,824,738	12,140,049
Unexpended cap. escrow funds	279,397	95,299
Defer. charges & other assets	943,198	803,165
Intangibles	175,214	192,470
Total Assets	$ 34,077,364	$ 34,650,864

Liabilities

	1984	1983
Notes payable	$ —	$ 361,950
Long-term debt, curr.	837,351	1,118,941
Accts. payable	2,940,797	2,113,230
Accrued pension	357,538	233,567
Accrued payroll	2,317,159	1,789,379
Income taxes	617,835	44,682
Other taxes	379,748	323,925
Curr. Liabilities	$ 7,450,428	$ 5,985,674
Long-term debt	5,840,964	8,597,591
Deferred inc. taxes	1,125,000	1,017,000
Accrued pension	497,294	368,419
+ Common stock	1,455,444	1,423,444
Add. paid-in capital	1,848,584	1,601,584
Retained earnings	16,866,264	15,910,766
Employee benefit stock	(753,000)	—
Foreign currency translation adjust.	(253,614)	(253,614)
Total Liabilities & Shareholders' Equity	$ 34,077,364	$ 34,650,864

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.17	—
%Net Income to Sales	2.66	—
%Net Income to Equity	8.01	—
Sales to Inventories	4.77	3.73
Working Capital	$13,404,389	$15,434,207
Current Ratio	2.80	3.58
Shareholders' Equity	$19,163,678	$18,682,180

Baird Corporation

125 Middlesex Turnpike
Bedford, Massachusetts 01730
(617) 276-6000

Officers: John M. Dempsey, Jr., chairman, president & chief executive officer; Jack M. Medzorian, v.p. & treasurer; I. D'Arcy Brent II, v.p.-spectrochemical products; George J. Lilley, v.p.-operations; Arthur S. Turner, v.p.-nuclear products; Donald R. Walker, v.p.-govt. systems; David F. Walsh, director-communications; Francis P. Tarantino, controller & asst. clerk; Robert A. Trevisani, clerk; Frank L. Dellazoppa, director-quality assurance; John A. Fitzmaurice, v.p.-corp. development.

Directors: Timothy X. Cronin, John M. Dempsey, Jr., William M. Mullahy, Jack M. Medzorian, Thomas J. Troup, Richard S. Vokey, Edward J. King.

Areas of Work: Manufactures instruments for spectrochemical analysis, nuclear equipment for medical diagnostics and laboratory use, periscopes, and night vision devices, and conducts research and development projects for the U.S. Government.

Divisions:

Baird Europe B.V.
Zoeterwoude, The Netherlands

Baird-Atomic, Ltd.
Braintree, Essex, England

Baird France
Besancon, France

Baird Deutschland GmbH
Ratingen, West Germany

Labtest Equipment Company, Inc.
Los Angeles, California

Labtest Equipment (Europa) GmbH
Ratingen, West Germany

Miller-Holzwarth, Inc.
110 W. State Street
Salem, Ohio 44460
(216) 337-8736

Baird Do Brasil Representacoes Ltda.
Sao Paulo, Brazil

R.A. Stephen and Company, Ltd.
Mitcham, England

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BATM (NASDAQ)

Number of Employees:

1985	700	1982	747
1984	697	1981	718
1983	734		

Plant Footage:

1985	228,500 sq. ft.	1983	150,000
1984	N.A.		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 49,225,000	$ 444,000
1984	46,331,000	971,000
1983	44,261,000	734,000
1982	42,083,000	(332,000)
1981	45,234,000	1,203,000

	No. of Com. Shares #	Earn. per Share #
1985	2,237,000	$ 0.20
1984	2,238,000	0.43
1983	2,233,000	0.33
1982	2,233,000	—
1981	2,107,000	0.57

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	3%	—
1983	—	3%	—
1982	—	3%	—
1981	—	3%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 20,775,000	$ 9.29
1984	20,159,000	9.01
1983	19,517,000	8.74
1982	19,109,000	8.56
1981	19,446,000	9.23

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1985	1984
Net Sales	$ 49,224,541	$ 46,330,955
Cost of sales	30,453,071	28,454,818
Expenses	16,067,597	15,201,419
Depreciation	1,224,027	927,874
Interest expense	961,080	409,484
Income bef. taxes	$ 518,766	$ 1,337,360
Income taxes	74,660	366,580
Net Income	$ 444,106	$ 970,780

Assets

As of Sept. 30	1985	1984
Cash	$ 758,379	$ 367,814
Receiv., net	14,632,771	12,144,814
Unbilled costs	2,071,154	1,585,498
*Inventories	15,909,927	13,363,104
Prepaid expenses	525,730	417,737
Current Assets	$ 33,897,961	$ 27,878,967
#Fixed assets	7,625,073	6,631,545
Other assets	274,964	161,715
Intangibles	894,194	909,842
Total Assets	$ 42,692,192	$ 35,582,069

Liabilities

Loans payable	$ 3,311,804	$ 1,044,948
Long-term debt, curr.	5,239,780	2,544,820
Accts. payable	2,958,935,	3,265,527
Accruals	3,536,951	3,133,117
Income taxes	439,535	434,770
Adv. pay. from cust.	1,451,166	235,355
Curr. Liabilities	$ 16,938,171	$ 10,658,537
Long-term debt	2,793,992	2,795,432
Deferred inc. taxes	907,304	843,766
Subord. long-term debt	937,500	1,125,000
Long term liabilities	340,315	—
+ Common stock	2,225,223	2,238,323
Add. paid-in capital	14,603,740	14,690,527
Receiv. from officers	(138,650)	(146,331)
For. curr. trans.	(422,025)	(685,701)
Retained earnings	4,506,622	4,062,516
Total Liabilities & Shareholders' Equity	$ 42,692,192	$ 35,582,069

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.05	2.89
%Net Income to Sales	0.90	2.10
%Net Income to Equity	2.14	4.82
Sales to Inventories	3.09	3.47
Debt to Equity	0.59	0.37
Working Capital	$16,959,790	$17,220,430
Current Ratio	2.00	2.62
Shareholders' Equity	$20,774,910	$20,159,334

Ball Corporation

345 South High Street
Muncie, Indiana 47305
(317) 747-6100

Officers: John W. Fisher, chairman of the board; Richard M. Ringoen, president & chief executive officer; William L. Peterson, sr. v.p. & chief financial officer; Duane E. Emerson, sr. v.p.-administration; Donovan B. Hicks, group v.p.-technical products; John H. Snyder, group v.p.-industrial products; Frank A. Bracken, group v.p.-glass containers; Delmont A. Davis, group v.p.-metal containers; R. Donald Bell, v.p. & controller; John J. Pruis, v.p.-corp. relations; Leon M. Grandcolas, v.p. & treasurer; George A. Sissel, v.p., corp. secretary & general counsel; Charles E. Wild, v.p.-human resources; Thomas B. Clark, v.p.-planning & development; Richard E. Durbin, v.p.-information services; Roland P. Campbell, Elizabeth A. Overmyer, asst. secretaries.

Directors: John W. Fisher*, Robert H. Mohlman*, Alvin M. Owsley, Jr., Richard M. Ringoen*, Delbert C. Staley, Richard M. Gillett*, Henry C. Goodrich*, A. Malcolm McVie, William L. Peterson*, William P. Stiritz, Howard M. Dean, Thomas D. Bell, Jr.

* Member of the Executive Committee.

Areas of Work: The Corporation is a manufacturer in the glass, metal, plastics, electronics, aerospace, and petroleum industries, and supplies products, systems and services to the electronics, energy, food, beverage, automotive, appliance, construction, communications, and data processing industries, and to governmental agencies and universities. It also supplies food preservation products to the consumer market.

Divisions and Subsidiaries:

Technical Products Group
Westminster, Colorado

Engaged in the development and production of monitors for computer-linked data displays; computer products, including memory core planes and arrays; infrared technology instrumentation; aerospace sub-systems and components; television camera systems and CRT data display monitors; military antennas, controllers, optical mark readers and optical character readers for the original equipment market; industrial inspection instruments.

Electronic Systems Division
Westminster, Colorado

Aerospace Systems Division
Boulder, Colorado

Analytic Decisions, Inc.
Alexandria, Virginia

Ball Aerospace Division/Microelectronic Products
Huntington Beach, California

Efratom Division
Irvine, California

Glass Container Group
Muncie, Indiana

Operations are divided between commercial glass sales, concentration on food containers, and consumer products, where the principal products are home canning jars and fittings, and home canning and freezing publications. Ball Packaging Products, Inc. develops and sells glass production equipment and licenses processes to other companies.

Consumer Products Division
Commercial Division
Manufacturing Division

Metal Container Group
Westminster, Colorado

Produces drawn-and-iron, two-piece, aluminum and steel cans.

Ball Corporation

Industrial Products Group
Muncie, Indiana

Ball Zinc Division
Greenville, Tennessee

Makes rolled zinc and lead products, including dry-cell battery cans, strip andialized equipment for photoengraving processes.

Ball Metal Decorating & Service Division
Chicago, Illinois

Provides metal lithography, metal coatings and specialized light-gauge metal servicing and warehousing functions, including sheeting, slitting and blanking.

Ball Unimark Plastics Division
Greenville, South Carolina

Precision injection molding products for the medical and electronics industries.

Transfer Agent(s):

The First National Bank of Chicago
Trust Department
Suite 0123
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest

Ticker Symbol: BLL

Number of Employees:

1985	9,000	1982	9,600
1984	9,100	1981	10,000
1983	9,000		

Sales and Earnings

		Net Sales (000's)		Net Income (000's)
1985	$	1,106,200	$	51,200
1984		1,050,700		46,300
1983		909,500		39,000
1982		889,100		34,500
1981		815,182		29,246

	No. of Com. Shares #	Earn. per Share #
1985	22,849,000	$ 2.24
1984	22,680,000	2.04
1983	22,464,000	1.73
1982	21,830,000	1.58
1981	21,227,000	1.38

Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues by Line of Business

	1985 (000's)	%	1984 (000's)	%
Packaging prods.	$ 822,400	74%	$ 736,000	70%
Industrial prods.	95,300	9	117,200	11
Technical prods.	188,500	17	197,500	19
Total	$1,106,200	100%	$1,050,700	100%

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.68	—	2-for-1
1984	0.61	—	—
1983	0.55	—	—
1982	0.485	—	2-for-1
1981	0.425	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

		Total Equity	Equity Per Share ‡
1985	$	330,800,000	$ 14.48
1984		295,400,000	13.02
1983		262,100,000	11.67
1982		232,600,000	10.66
1981		203,577,000	9.59

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31		1985		1984
Net sales	$	1,106,200	$	1,050,700
Cost of sales		921,500		876,600
Expenses		83,200		83,100
Interest expense		8,900		9,300
Income before taxes	$	92,600	$	81,700
Income taxes		41,400		35,400
Net Income	$	51,200	$	46,300

* Included in Costs and Expenses, Depreciation: $39,200,000 in 1985 and $33,100,000 in 1984.

Assets
(000's)

As of Dec. 31		1985		1984
Cash	$	15,000	$	14,400
Accts. receiv., net		98,800		91,500
*Inventories		147,200		163,400
Prepaid expenses		3,900		5,100
Current Assets	$	264,900	$	274,400
#Fixed assets		337,300		304,900
Other assets		39,500		43,100
Total Assets	$	641,700	$	622,400

Liabilities
(000's)

Long-term debt, curr.	$	8,000	$	10,400
Accts. payable		63,500		73,100
Accrued payroll		37,900		34,300
Income taxes		9,900		12,800
Other liabilities		16,200		16,700
Curr. Liabilities	$	135,500	$	147,300
Long-term debt & lease obligations		89,900		114,800
Deferred comp.		13,600		15,100
Deferred inc. taxes		71,900		49,800
+ Common stock		41,600		40,600
Retained earnings		291,500		254,900
Treasury stock		(2,300)		(100)
Total Liabilities & Shareholders' Equity	$	641,700	$	622,400

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.37	7.78
%Net Income to Sales	4.63	4.41
%Net Income to Equity	15.48	15.67
Sales to Inventories	7.51	6.43
Debt to Equity	0.30	0.42
Working Capital	$129,400,000	$127,100,000
Current Ratio	1.95	1.86
Shareholders' Equity	$330,800,000	$295,400,000

Bally Manufacturing Corporation

8700 West Bryn Mawr Avenue
Chicago, Illinois 60631
(312) 399-1300

Officers: Robert E. Mullane, chairman of the board, president & chief exec. officer; Donald B. Romans, exec. v.p. & chief financial officer; Roger N. Keesee, exec. v.p. & chief operating officer; James M. Rochford, v.p.-corporate affairs & governmental relations; Jerry A. Blumenshine, v.p. & asst. to the president; Neil F. Jenkins, corporate secretary & general counsel; Michael T. Lyon, v.p.-corp. planning & development; William H. Peltier, v.p.-corp. communications; Charles T. Powell, v.p.-corp. adm.; Bruce A. Struckman, v.p. & corp. controller; Paul J. Johnson, treasurer.

Directors: Robert E. Mullane, chairman; James M. Rochford, George N. Aronoff, James R. Cowan, Patrick L. O'Malley, Walter Wechsler, Kenneth C. Nichols, Barry Diller, Alfred C. Linkletter, James A. Lovell, Pierre A. Rinfret.

Areas of Work: Designs, manufactures, distributes and sells amusement games and leisure equipment including video games & pinball games, instant lottery games and coin-operated gaming equipment. The company also operates a hotel and casino in Atlantic City, New Jersey, through its 84% owned subsidiary, Bally's Park Place, Inc. Also owns and operates over 340 family amusement centers and 7 theme parks, and approximately 250 health and fitness centers.

Divisions and Subsidiaries:

Bally Aladdin's Castle, Inc.
Franklin Park, Illinois

Bally Distributing of Nevada, Inc.
Las Vegas and Reno, Nevada

Bally Fitness Products Corporation
Irvine, California

Bally's Park Place, Inc.
Atlantic City, New Jersey

Bally Diemasters
Elmhurst, Illinois

Bally L.S.
Cicero, Ilinois

Bally Midway Mfg. Co.
Franklin Park, Illinois

Scientific Games, Inc.
Norcross, Georgia

Bally Sente, Inc.
Sunnyvale, California

Bally Wulff-Automaten GmbH
Berlin, Germany

Bally Wulff-Vetriebs GmbH
Hannover, West Germany

Six Flags Corporation
Los Angeles, California
Operates seven theme parks.

Health and Tennis Corporation of America
Los Angeles, California
Operates approximately 250 health and fitness centers.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: BLY

Number of Employees:

1985	15,170	1982	10,700
1984	16,700	1981	9,950
1983	19,000		

Sales and Earnings

	Revenues	Net Income
1985	$1,344,823,000	$ 25,637,000
1984	1,349,415,000	(100,411,000)
1983	1,175,857,000	5,158,000
1982	1,285,057,000	90,978,000
1981	884,903,000	81,676,000

	No. of Com. Shares †	Earn. per Share †
1985	26,935,595	$ 0.95
1984	26,015,300	—
1983	26,381,530	0.20
1982	30,318,735	3.20
1981	27,267,032	3.03

(Loss)
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Sales	$ 252,164	$ 297,721
Services	1,042,668	1,011,121
Other	49,991	40,573
Total	$ 1,344,823	$ 1,349,415

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	—
1983	0.20	—	—
1982	0.15	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 407,646,000‡	$ 15.13
1984	368,721,000	14.17
1983	490,595,000	18.60
1982	485,866,000	16.03
1981	394,208,000	14.46

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 252,164	$ 297,721
Services	1,042,668	1,011,121
Other income	49,991	40,573
Total income	$ 1,344,823	$ 1,349,415
Cost of sales	191,182	276,438
Cost of services	816,228	794,455
Expenses	146,113	173,849
Prov. for doubt. accts.	56,279	64,652
Prov. for restructuring	—	121,700
Income expense	83,118	83,911
Inc. (loss) bef. taxes	$ 51,903	$ (165,590)
Income taxes (credit)	23,356	(67,920)
Minority interest	2,910	2,741
Net Income (Loss)	$ 25,637	$ (100,411)

* Included in Costs and Expenses, Depreciation and Amortization: $111,326,000 in 1985 and $115,696,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cert. of deposit	$ 29,511	$ 38,978
Refundable bid deposit	20,000	—
Receiv., net	244,034	212,209
*Inventories	39,357	54,694
Other curr. assets	25,852	27,540
Refund. income taxes	32,500	66,872
Current Assets	$ 391,254	$ 400,293
Long-term receivables	21,623	13,536
#Fixed assets	895,456	850,127
Other assets	112,132	101,752
Intangibles	108,279	104,522
Total Assets	$ 1,528,744	$ 1,470,230

Liabilities
(000's)

	1985	1984
Notes payable	$ 5,453	$ 44,994
Long-term debt, curr.	18,012	55,182
Accts. payable	41,644	44,502
Accruals	123,913	137,926
Income taxes	62,583	39,326
Deferred revenues	60,607	51,259
Curr. Liabilities	$ 312,212	$ 373,189
Long-term debt	695,492	622,510
Long-term liabilities	16,235	38,930
Deferred income taxes	64,425	36,452
Minority interest	32,721	30,428
+ Preferred stock	13	—
+ + Common stock	18,284	17,684
Add. paid-in capital	125,521	112,351
Retained earnings	276,318	256,072
Currency trans. adj.	68	(5,263)
Treasury stock	(12,545)	(12,123)
Total Liabilities & Shareholders' Equity	$ 1,528,744	$ 1,470,230

* At lower of cost (LIFO for the Company; FIFO for subsidiaries) or market.
# Less accumulated depreciation.
+ $1 par value; 9% mkt. value, cumulative, convertible.
+ + $0.66⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales & Revenues	20.58	—
%Net Income to Sales & Revenues	10.17	—
%Net Income to Equity	6.29	—
Debt to Equity	1.76	1.96
Working Capital	$ 79,042,000	$ 27,104,000
Current Ratio	1.16	—
Shareholders' Equity	$407,659,000	$368,721,000

Barnes Engineering Company

44 Commerce Road
P.O. Box 53
Stamford, Connecticut 06904
(203) 348-5381

Officers: Christopher H. Smith, president & chief executive officer; William J. Kelly, exec. v.p.-engineering & operations; Robert B. Barnes, Jr., sr. v.p.-corp. development & administration; John B. Byrne, v.p.-finance; Robert W. Astheimer, v.p.-research & development; Henry R. Hofmann, v.p.-instruments & international marketing; Carmine A. Ragosa, v.p.-program management; Robert C. Savoca, v.p.-engineering & production; Irving A. Stern, controller; Brian M. Calderwood, treasurer; Donald L. Conway, secretary; Pamela A. Maxwell, asst. secretary.

Directors: Christopher H. Smith*, Robert B. Barnes, Jr.*, Danforth Joslyn, Benjamin Lax*, Charles D. Ravenel*, David C. Bevan, Jr., D. Allan Bromley, Donald G. Kennedy, William L. Mayo.

* Member of the Executive Committee.

Areas of Work: The company's operations are divided into two operating groups—Systems & Instruments Division and Security Systems Division.

The Systems and Instruments Division is engaged in the design, development and manufacture of high technology products and systems with applications in the laboratory, defense and space exploration markets. The Security Systems Division designs and manufactures various security and intrusion detection products for corporate headquarters, nuclear power generating plants and industrial and commercial facilities.

Divisions:

Systems & Instruments Division
Security Systems Division

Subsidiary:

VT Technologies, Inc.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: BIR

Sales and Earnings

	Net Sales +	Net Income #
1985	$ 19,729,000	$ 314,000
1984	20,164,000	111,000
1983	19,369,000	(3,832,000)
1982	17,837,000	(6,153,000)
1981	22,739,000	259,000

	No. of Com. Shares ‡	Earn. per Share ‡#
1985	1,558,277	$ 0.20
1984	1,525,132	0.07
1983	1,503,000	—
1982	1,681,000	—
1981	1,609,000	0.16

(Loss)
+ Of continuing operations only; includes other revenues.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.
# Including extraordinary gains of $128,000 ($0.08 per share) in 1985 and $44,000 ($0.03 per share) in 1984.

Revenues By Line of Business

	1985	1984
Systems & Instrument div.	$ 17,877,000	$ 15,459,000
Security Group	1,852,000	4,705,000
Total	$ 19,729,000	$ 20,164,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ (794,520)	$ —
1984	(1,213,843)	—
1983	(1,722,000)	—
1982	1,782,000	1.06
1981	9,650,000	6.00

(Deficiency)
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1985	1984
Net sales & revenues	$ 19,729,423	$ 20,163,733
Cost of sales	14,022,809	15,073,453
Expenses	4,740,809	4,289,714
Interest expense	651,480	690,029
Inc. bef. taxes	$ 314,263	$ 110,537
Income taxes (credit)	128,000	44,000
Net Income	$ 186,263	$ 66,537
Extraord. gain		44,000
Net Income & extraord. gain	$ 314,263	$ 110,537

* Included in Costs and Expenses, Depreciation and Amortization: $484,910 in 1985 and $446,054 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 217,664	$ 99,276
Receiv., net	4,700,250	4,782,600
*Inventories	1,812,238	1,725,100
Other curr. assets	215,248	223,912
Current Assets	$ 6,945,400	$ 6,830,888
#Fixed assets	1,208,625	1,165,792
Other assets	599,981	768,575
Total Assets	$ 8,754,006	$ 8,765,255

Barnes Engineering Company

Liabilities

Notes payable & long-term debt, curr.	$ 1,031,589	$ 1,037,568
Accts. payable	1,367,635	1,100,813
Other curr. liabilities	2,348,149	1,680,546
Curr. Liabilities	$ 4,747,373	$ 3,818,927
Long-term debt	3,989,029	5,035,451
Other liabilities	812,124	1,124,720
+Common stock	1,581,281	1,543,557
Add. paid-in capital	6,169,093	6,101,757
Retained earnings (deficit)	(8,544,894)	(8,859,157)
Total Liabilities & Shareholders' Equity	$ 8,754,006	$ 8,765,255

* At lower of cost (FIFO) or realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.59	0.54
%Net Income to Sales	0.94	0.32
Sales to Inventories	10.89	11.68
Working Capital	$2,198,027	$ 3,011,961
Current Ratio	1.46	1.78
Shareholders' Equity (Deficiency)	$ (794,520)	$(1,213,843)

Barry Wright Corporation

One Newton Executive Park
Newton Lower Falls, Massachusetts 02162
(617) 965-5800

Officers: Ralph Z. Sorenson, chairman of the board, president & chief executive officer; P. Norman Roy, exec. v.p.; John F. Quinn, v.p. & president-Industrial and Aero Products Group; Milton E. Gilbert, v.p., general counsel & secretary; Jack L. Manes, Jr., v.p.-human resources; Charles H. Sellman, v.p., controller & treasurer; David M. Wright, v.p.-Wright Line, Inc.; Philip M. Croel, v.p. & president-Wright Line, Inc.; Eustis Walcott, Jr., v.p.-corp. relations; William H. Gorham, clerk; Patricia A. Irwin, asst. treasurer & asst. secretary; Edith C. McGuinness, asst. secretary.

Directors: Ralph Z. Sorenson*, chairman; George P. Gardner, Jr., G. Richard Westin, Jerome Ottmar, W. Paul Tippett, P. Norman Roy*, Robert P. Henderson*, Ervin Pietz, Roger D. Wellington.

* Member of the Executive Committee

Divisions and Subsidiaries:

Industrial & Aero Products Group

Barry Controls Division
Watertown & Woburn, Massachusetts
Burbank, California
Design, manufacture and marketing of engineered products to control the effects of dynamic forces and motions, including vibration, impact shock and noise.

Muffelite Ltd.
United Kingdom
Manufactures shock and vibration controls.

Barry Controls GmbH (49% owned)
Raunheim, Germany
Sales and marketing distribution in Western Europe.

Gamma S.A.
France
French licensee.

Vlier Engineering Division
Burbank, California
Woburn, Massachusetts
Design, manufacture and marketing of products for holding, positioning and locating parts during manufacture and for reducing "in plant" noise and vibration.

Zero-Max Division
Minneapolis, Minnesota

Miki Zero-Max Ltd.
Kawasaki-City, Japan
Sales and marketing distribution in Japan.

Dolan-Jenner
Manufactures fiber optics products, controls, and other devices for use in robotics, factory automation, and flexible manufacturing systems.

Products For Automation
Produces attachments to robot's wrists to enable it to perform useful tasks.

Wright Line Inc.

Wright Line Division
Worcester, Massachusetts
High Point, North Carolina
South Norwalk, Connecticut
Design, manufacture and marketing of accessory products that serve end users of information processing systems, especially electronic data processing systems, and users of computer printout, systems documentation and microforms; related supplies for visual control and quick reference or retrieval of non-automated business records serving medical, manufacturing, service and distribution businesses and public and private institutions.

VISIrecord Systems Division
Worcester, Massachusetts
South Norwalk, Connecticut
Design, manufacture and marketing of systems and equipment.

Wright Line of Canada Ltd.
Toronto, Canada

Wright Line GmbH
Frankfurt, Germany

VisuFlex Corporation
Manufactures microfilm and microfiche filing products.

Schmidt Couplings, Inc.
Manufactures power transmission couplings.

Acquisition(s):

DataFile Limited
Canada
Manufacture and marketing of color-coded filing systems.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
P.O. Box 24935
Church Street Station
New York, New York 10249

Stock Exchange(s): New York

Ticker Symbol: BAR

Number of Employees:

1985	2,332	1983	1,895
1984	2,387	1982	1,662

Sales and Earnings

	Net Sales +	Net Income
1985	$ 196,872,000	$ 10,519,000
1984	180,716,000	15,026,000
1983	145,033,000	13,658,000
1982	128,445,000	10,907,000
1981	129,226,000	12,768,000

	No. of Com. Shares #	Earn. per Share #
1985	9,089,000	$ 1.16
1984	8,964,000	1.68
1983	8,713,000	1.57
1982	8,542,000	1.28
1981	8,253,000	1.55

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.60	—	—
1984	0.57	—	—
1983	0.46	—	—
1982	0.40	—	—
1981	0.38	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 107,907,000	$ 11.80
1984	100,019,000	11.08
1983	89,093,000	9.97
1982	77,510,000	9.01
1981	69,044,000	8.12

† Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 196,872,000	$ 180,716,000
Other income	1,761,000	3,025,000
Total income	198,633,000	183,741,000
Cost of sales	$ 109,095,000	$ 97,537,000
Expenses	69,260,000	60,307,000
Interest expense	732,000	299,000
Income before taxes	$ 19,546,000	$ 25,598,000
Income taxes	8,639,000	11,179,000
Inc. - cont. oper.	$ 10,907,000	$ 14,419,000
Inc. (loss)- discont. oper.	(388,000)	607,000
Net Income	$ 10,519,000	$ 15,026,000

* Included in Costs and Expenses; Depreciation and Amortization: $6,090,000 in 1985 and $4,730,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & short-term invest.	$ 29,399,000	$ 11,608,000
Accts. receiv., net	31,445,000	34,068,000
*Inventories	25,744,000	23,225,000
Other curr. assets	3,614,000	3,350,000
Assets of discont. oper.	—	11,931,000
Current Assets	$ 90,202,000	$ 84,182,000
#Fixed assets	46,151,000	40,757,000
Other assets	13,396,000	11,927,000
Total Assets	$ 149,749,000	$ 136,866,000

Liabilities

Notes payable	$ 4,291,000	$ 1,798,000
Long-term debt, curr.	235,000	309,000
Accts. payable	9,294,000	10,414,000
Accruals	15,010,000	13,654,000
Income taxes	1,184,000	826,000
Liab. of discont. oper.	—	2,616,000
Curr. Liabilities	$ 30,014,000	$ 29,617,00
Long-term debt	1,626,000	1,861,000
Deferred compensation	295,000	464,000
Deferred inc. taxes	6,995,000	4,905,000
Minority interest	2,912,000	—
+Common stock	9,185,000	9,118,000
Add. paid-in capital	21,430,000	20,324,000
Retained earnings	77,278,000	72,234,000
For. curr. trans. adjust.	703,000	(322,000)
Treasury stock	(689,000)	(1,335,000)
Total Liabilities & Shareholders' Equity	$ 149,749,000	$ 136,866,000

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO or average. Certain inventories of the Industrial and Aero Prods. Group stated at FIFO or average.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	9.75	15.02
Sales to Inventories	7.65	7.78
Debt to Equity	0.06	0.04
Working Capital	$ 60,188,000	$ 544,565,000
Current Ratio	3.01	2.84
Shareholders' Equity	$107,907,000	$100,019,000

Base Ten Systems, Inc.

One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Officers: Myles M. Kranzler, chairman of the board & president; William M. Errickson, sr. v.p. & secretary; James A. Eby, sr. v.p.-engineering; Gene Lieberman, v.p.-manufacturing; Edward J. Klinsport, group v.p. & asst. secretary; Richard G. Kandrac, v.p.-operations; Andrew S. MacAninch, v.p.; Alan J. Eisenberg, v.p.; John A. Ruddman, v.p.; Elio Ravera, v.p.; Ferdinand Biunno, treasurer.

Directors: Myles M. Kranzler, chairman; William M. Errickson.

Areas of Work: Designs and manufactures electronic data systems used in the testing, research and development of new aircraft, missiles and satellites. Other applications include avionic controls and microprocessor systems, and alarm reporting systems.

Divisions:

REM Machine Division
One Electronics Drive
P.O. Box 3151
Trenton, New Jersey 08619
(609) 586-7010

Subsidiaries:

Base Ten Systems Electronics, GmbH
Erfurter Strasse 29
8057 Eching
Federal Republic of Germany

Base Ten Systems, Ltd.
12 Eelmoor Road
Farnborough
Hampshire GU147QN
United Kingdom

Base Ten Systems, Inc.
Defense Products Marketing West
1580 Claremont Boulevard
Suite 201
Claremont, CA 91711

Base Ten of Canada, Ltd.
301 Weston Street
Winnipeg, Manitoba R3E 3H4
Canada

Base Ten Defense, Inc.
Base Ten Telecom, Inc.
Base Ten Software, Inc.

all at:

One Electronics Drive
P.O. Box 3151
Trenton, N.J. 08619

Transfer Agent(s):

Morgan Guaranty Trust Co.
30 West Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BASE (NASDAQ)

Number of Employees:

1985 . . . . . . 553 1984 440

Plant Footage:

1985 . . . . . . 100,000 sq. ft. 1984 100,000

Sales and Earnings

	Revenues	Net Income
1985	$ 32,033,000	$ 1,307,000
1984	23,701,000	(457,000)
1983	17,860,000	1,142,000
1982	18,454,000	2,106,000
1981	15,117,000	1,665,000

	No. of Com. Shares #	Earn. per Share #
1985	3,490,727	$ 0.37
1984	3,502,070	—
1983	3,603,590	0.32
1982	3,401,132	0.62
1981	3,142,795	0.53

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	—	—	—
1984	—	10%	—
1983	$0.15	—	—
1982	0.10	—	2-for-1
1981	0.05	10%	—

+ Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 12,784,000	$ 3.66
1984	10,684,000	3.05
1983	11,227,000	3.12
1982	10,170,000	2.99
1981	8,206,000	2.61

+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended Oct. 31	1985	1984
Sales	$ 31,534,000	$ 23,046,000
Interest income	499,000	655,000
Revenues	$ 32,033,000	$ 23,701,000
Cost of sales	19,880,000	14,747,000
Expenses	9,912,000	7,719,000
Investment cost	—	1,722,000
Interest	726,000	723,000
For. curr. trans. adj.	(498,000)	357,000
Inc. (loss) bef. taxes	$ 2,013,000	$ (1,567,000)
Income taxes (credit)	706,000	(1,110,000)
Net Income (Loss)	$ 1,307,000	$ (457,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,202,000 in 1985 and $908,000 in 1984.

Assets

As of Oct. 31	1985	1984
Cash & cash equiv.	$ 3,254,000	$ 2,241,000
Accts. receiv., net	9,674,000	8,014,000
*Inventories	5,419,000	4,677,000
Other curr. assets	184,000	119,000
Current Assets	$ 18,531,000	$ 15,051,000
# Fixed assets	6,897,000	6,533,000
Restricted cash	2,856,000	3,200,000
Market. secur.	488,000	437,000
Other assets	192,000	174,000
Total Assets	$ 28,964,000	$ 25,395,000

Liabilities

Long-term debt, curr.	$ 1,471,000	$ 699,000
Accts. payable & accruals	4,038,000	3,561,000
Cust. advances	1,351,000	1,869,000
Income taxes	2,012,000	1,637,000
Curr. Liabilities	$ 8,872,000	$ 7,766,000
Deferred inc. taxes	474,000	282,000
Deferred comp.	388,000	422,000
Long-term debt	6,446,000	6,241,000
+Common stock	3,508,000	3,483,000
Add. paid-in capital	9,610,000	9,469,000
Retained earnings (deficit)	533,000	(774,000)
Restr. stock award comp.	(450,000)	(714,000)
For. curr. trans. adjust.	(393,000)	(705,000)
Valuation allowance	(24,000)	(75,000)
Total Liabilities & Shareholders' Equity	$ 28,964,000	$ 25,395,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.38	—
%Net Income to Sales	4.14	—
%Net Income to Equity	10.22	—
Sales to Inventories	5.82	4.93
Debt to Equity	0.62	0.65
Working Capital	—	$ 7,285,000
Current Ratio	—	1.94
Shareholders' Equity	$12,784,000	$10,684,000

Bastian Industries, Inc.

150 E. 58th Street
New York, New York 10155
(212) 486-2411

Officers: Benson A. Selzer, chairman of the board and sr. v.p.; Samuel Ofrichter, president, secretary & chief executive officer; Robert Komenda, v.p., treasurer & controller; John A. Selzer, v.p. & asst. secretary.

Directors: Benson A. Selzer*, chairman; Andrew N. Heine, Edwin C. Nevis, Samuel Ofrichter*, Irvin L. Feinberg, John A. Selzer.

* Member of the Executive Committee.

Areas of Work: Manufactures ultra-high reliability inductors, capacitors and resistors for use in the computer and defense industries. Produces modems and accoustic couplers, sheet metal and aluminum products for computers and business machines, and high-precision metal components for the computer and aerospace industries. Other areas include: hydraulic hoses, stainless steel equipment for restaurant use and restaurant decor systems.

Divisions and Subsidiaries:

Nytronics Components Group, Inc.
Orange Street
Darling, South Carolina 29532
(803) 393-5421

Suckle Corporation
Suckle and National Highways
Pennsauken, New Jersey 08110
(609) 665-9100

733 Davis Street
Scranton, Pennsylvania 18501
(717) 346-3871

T.M.I.
2335 Alaska Avenue
El Segundo, California 90245
(213) 772-6363

NRP Hose Products Division
Midway Supply Division

Branchland Pipe and Supply Company
Sells and distributes pipe, equipment and other supplies to the oil and gas production industries in the U.S. Applachian Basin.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Nytronics, Inc.
2335 Alaska Avenue
El Segundo, California 90245

Stock Exchange(s): Pacific, Over-the-Counter

Ticker Symbol: BSI (Pacific), BSIN (NASDAQ)

Bastian Industries, Inc.

Number of Employees:

1984	1,964	1982	978
1983	1,087		

Plant Footage:

1984 ...... 741,513 sq. ft. 1983 455,000

Sales and Earnings

	Net Sales +	Net Income ‡
1984	$ 132,107,000	$ 3,146,000
1983	63,189,000	883,000
1982	78,351,000	(1,753,000)
1981	71,359,000	2,353,000
1980	59,764,000	3,961,000

	No. of Com. Shares †	Earn. per Share †‡
1984	2,451,414	$ 1.10
1983	2,426,829	0.18
1982	2,424,655	—
1981	2,334,739	0.82
1980	2,208,718	1.59

(Loss)

+ Of continuing operations only.

‡ Including extraordinary gains of $606,000 ($0.25 per share) in 1984 and $672,000 ($0.29 per share) in 1981.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1984	1983
Electronic components	$ 35,016	$ 12,019
Metal components	32,507	23,086
Oil field supply	64,584	28,084
Total	$ 132,107	$ 63,189

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1984	$ 24,103,000	$ 9.83
1983	18,279,000	7.53
1982	17,840,000	7.36
1981	20,025,000	8.58
1980	16,345,000	7.40

‡ After allowing for preferred stock at par value.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended July 31	1984	1983
Net sales	$ 132,107	$ 63,189
Cost of sales	103,546	48,024
Expenses	20,506	12,581
Interest expense	1,956	977
Amortization	478	490
Income before taxes	$ 5,621	$ 1,117
Income taxes	2,892	591
Inc.-cont. oper.	$ 2,729	$ 526
Inc. (loss)-discont. oper.	(189)	357
Net Income	$ 2,540	$ 883
Extraord. gain	606	—
Net Income &. extraord. gain .	$ 3,146	$ 883

* Included in Costs and Expenses, Depreciation: $1,520,000 in 1984 and $905,000 in 1983.

Assets
(000's)

As of July 31	1984	1983
Cash	$ 4,292	$ 2,271
Accts. receiv., net	20,476	12,976
*Inventories	22,653	12,687
Notes & other receiv.	1,314	1,364
Other curr. assets	1,166	923
Current Assets	$ 49,901	$ 30,221
#Fixed assets	23,415	9,127
Other assets	3,692	3,278
Notes & other reciev.	4,449	5,763
Intangibles	4,525	12,515
Total Assets	$ 85,982	$ 60,904

Liabilities
(000's)

Notes payable	$ 8,997	$ 8,115
Long-term debt, curr.	3,008	316
Accts. payable	12,919	7,175
Accruals	9,741	5,316
Curr. Liabilities	$ 34,665	$ 20,922
Long-term debt	21,532	15,263
Other liab.	5,054	5,895
+Preferred stock	628	545
+ +Common stock	26	24
Add. paid-in capital	21,045	17,908
Retained earnings	3,032	347
Total Liabilities & Shareholders' Equity	$ 85,982	$ 60,904

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $1 par value.

+ + $0.01 par value.

Statistical Summary

%Income bef. Taxes to to Sales	4.25	1.77
%Net Income to Sales	1.92	1.40
%Net Income to Equity	10.27	4.69
Sales to Inventories	5.83	4.98
Working Capital	$15,236,000	$ 9,299,000
Current Ratio	1.44	1.44
Shareholders' Equity	$24,731,000	$18,824,000

Bausch & Lomb Incorporated

One Lincoln First Square
P.O. Box 54
Rochester, New York 14601
(716) 338-6000

Officers: Daniel E. Gill, chairman of the board & president; Thomas C. McDermott, exec. v.p.-U.S. operations; Stephen P. Kelbley, sr. v.p.-finance; Stanley W. Merrell, sr. v.p.-administration; James E. Kanaley, sr. v.p.-Professional Eye Care Products Group; Harold O. Johnson, sr. v.p.-international operations; Jon M. Larson, v.p.-corporate services; Roger L. Boeve, v.p. & treasurer; Diane C. Harris, v.p.-corporate development, Jay T. Holmes, sr. v.p.-corporate affairs & secretary; W. Richard Clark, v.p.-Sunglass Division; George L. Foster, v.p.-Optical Systems Division; Franklin T. Jepson, v.p.-communications & investor relations; Frank E. Rumpeltin, v.p.-Personal Products Division; Robert J. Palmisano, v.p.-human resources; Stephen A. Hellrung, v.p. & gen. counsel; James J. Ward, v.p. & controller; Allan H. Resnick, v.p. & asst. treasurer.

Directors: Franklin E. Agnew*, E. Kent Damon*, Alexander D. Hargrave*, Daniel E. Gill*, Jonn R. Purcell, Robert L. Sproull*, William F. Bolger, Thomas C. McDermott, Robert L. Tarnow, Perry Rosenthal, William M. Waltrip.

* Member of the Executive Committee.

Areas of Work: In the ophthalmic area, produces lenses, eye glass frames and Soflens contact lenses, diagnostic and refracting instruments and furniture for professionals, and safety products such as eye glasses and respirators. Consumer products include sun glasses, fashion eyewear, contact lenses, telescopes, binoculars, camera lenses, rifle sights, readers and magnifiers. Scientific instruments and components and optical products for industry and the educational, medical and research fields include microscopes and accessories, metallographs, spectrochemical analytical systems, spectrophotometers, diffraction gradings, electronic recoders, digital plotting systems, high precision measuring systems, photogrammetric equipment, microprojectors and optical glass.

Divisions and Subsidiaries:

Opthalmic Instruments Division
Berkeley, California
Rochester, New York

Charles River Biotechnical Services, Inc.
Andover, Massachusetts
Foster City, California
Scarborough, Maine
Philadelphia, Pennsylvania

Charles River Laboratories, Inc.
Wilmington, Massachusetts
Summerland Key, Florida
Raleigh, North Carolina
Portage, Michigan
Newfield, New Jersey
Port Washington, Stone Ridge, New York

International Division
Rochester, New York

Optical Systems Division
Rochester, New York
Sparks, Maryland
Ocean Springs, Mississippi

Personal Products Division
Rochester, New York
Greenville, South Carolina

Astronomical Telescope Division
East Hartford, Connecticut

Polymer Technology Corporation
Wilmington, Massachusetts

Professional Products Division
Rochester, New York
Sarasota, Florida

Vacuum Coating Division
Rochester, New York

Sunglass Division
Rochester, New York
Oakland, Maryland

Bushnell Division
Pasadena, California

Bausch & Lomb Insurance Company
1400 N. Goodman Street
Rochester, New York 14602
(716) 338-6000

Bausch & Lomb Opticare, Inc.
Rochester, New York

Bausch & Lomb Puerto Rico, Inc.
San Juan, Puerto Rico

Bausch & Lomb Canada Inc.
Toronto, Ontario
Calgary, Alberta
Montreal, Quebec

Charles River Canada, Inc.
St. Constant, Quebec, Canada

Charles River U.K., Ltd.
Margate, England

Bausch & Lomb U.K. Ltd.
London, England

Bausch & Lomb France, S.A.
Versailles, France

Charles River France, S.A.
St. Aubin-les-Elbeuf, France

Bausch & Lomb (Hong Kong) Ltd.
Hong Kong

Bausch & Lomb Milano, S.p.A.
Milan, Italy

Charles River Italia S.p.A.
Calco, Italy

Bausch & Lomb Italiana, S.p.A.
Rome, Italy

B.L.J. Limited
Tokyo, Japan

Charles River Japan, Inc.
Atsugi & Hino, Japan

Bausch & Lomb Panama, S.A.
Panama City, Panama

Bausch & Lomb Espana S.A.
Madrid, Spain
Barcelona, Spain

Bausch & Lomb A.G.
Bern, Switzerland

Bausch & Lomb Lausanne S.A.
Lausanne, Switzerland

Bausch & Lomb B.V.
Heemstede, Netherlands

Bausch & Lomb Norway A/S
Oslo, Norway

Bausch & Lomb G.m.b.H.
Hamburg, Eutingen, Munich, Germany

Charles River WIGA G.m.b.H.
Sandhofer, West Germany

Bausch & Lomb International, Inc.
Manila, Philippines

Bausch & Lomb Svenska A.B.
Stockholm, Sweden

Bausch & Lomb G.m.b.H.
Vienna, Austria

Bausch & Lomb Ireland Limited
Waterford, Ireland

Bausch & Lomb Danmark A/S
Copenhagen, Denmark

Bausch & Lomb Argentina S.A.
Buenos Aires, Argentina

BL Industria Otica Ltd.
Rio de Janeiro, Brazil

Bausch & Lomb Netherlands Antilles N.V.
Curacao

Bausch & Lomb (Australia) Pty. Limited
Sydney, Australia

Bausch & Lomb Taiwan Limited
Taiwan

Bausch & Lomb (Singapore) Pte. Ltd.
Singapore

M.H. Scientific Sales (Pty.) Ltd.
Johannesburg, Republic of South Africa

Bausch & Lomb Vision Care South Africa (Pty.) Ltd.
Johannesburg, Republic of South Africa

OY Bausch & Lomb Finland A.B.
Helsinki, Finland

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
One Lincoln First Square
Rochester, New York 14643

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: BOL

Number of Employees:

1985	7,600	1982	8,800
1984	8,300	1981	11,300
1983	9,200		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 596,200,000	$ 66,800,000
1984	533,600,000	50,200,000
1983	477,300,000	48,400,000
1982	432,600,000	35,700,000
1981	443,000,000	15,400,000

	No. of Com. Shares #	Earn. per Share #
1985	29,961,000	$ 2.23
1984	29,716,000	1.69
1983	29,621,000	1.63
1982	29,460,000	1.21
1981	29,361,000	0.52

+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Professional eye care prods.	$ 161,319,000	$ 173,853,000
Health care & consumer prods.	325,903,000	267,208,000
Biomedical & scientific prods.	108,929,000	92,497,000
Total	$ 596,151,000	$ 533,558,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.78	—	—
1984	0.78	—	—
1983	0.78	—	2-for-1
1982	0.78	—	—
1981	0.78	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 408,108,000	$ 13.67
1984	327,187,000	11.04
1983	312,524,000‡	10.58
1982	293,343,000‡	9.98
1981	276,227,000‡	9.49

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 596,151	$ 533,558
Cost of sales	276,234	249,149
Expenses	170,027	149,082
Res. & develop.	21,480	18,223
Invest. income	(8,375)	(5,558)
Interest expense	13,602	16,687
Loss from for. curr.	2,336	2,850
Other expense	19,932	18,098
Inc. before taxes	$ 100,915	$ 85,027
Income taxes	34,150	26,250
Inc. - cont. oper.	$ 66,765	$ 58,777
Loss - discont. oper.	—	(8,542)
Net Income	$ 66,765	$ 50,235

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 10,419	$ 5,551
Marketable securities	20,560	47,412
Receiv., net	208,940	91,843
*Inventories	112,699	124,446
Net assets of discont. oper.	—	62,318
Future income tax benefits	16,800	11,070
Other current assets	27,712	19,962
Current Assets	$ 397,130	$ 362,602
#Fixed Assets	150,948	127,594
Other assets	79,217	76,499
Total Assets	$ 627,295	$ 566,695

Liabilities
(000's)

Notes payable	$ 16,995	$ 47,967
Long-term debt, curr.	4,412	3,645
Accts. payable	21,316	31,133
Accrued comp.	22,187	19,708
Accrued liab.	39,023	33,079
Income taxes	10,190	9,413
Reserve for discont. operations	6,200	7,171
Curr. Liabilities	$ 120,323	$ 152,116
Long-term debt	81,284	76,622
Deferred inc. taxes	17,580	10,770
+ Common stock	14,333	14,333
+ + Class B stock	59	59
Add. paid-in capital	66,138	60,637
Retained earnings	325,627	282,071
Cum. trans. adjust.	1,951	(29,913)
Total Liabilities & Shareholders' Equity	$ 627,295	$ 566,695

* At lower of cost (domestic inventories at LIFO; all others at FIFO) or market.
# Less accumulated depreciation.
+ $0.40 par value.
+ + $0.08 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.93	—
%Net income to Sales	11.20	—
%Net Income to Equity	16.36	15.35
Sales to Inventories	5.29	4.29
Debt to Equity	0.25	0.39
Working Capital	$176,807,000	$210,486,000
Current Ratio	2.47	2.38
Shareholders' Equity	$408,108,000	$327,187,000

Beatrice Companies, Inc.

(The Company was acquired by BCI Holdings Corporation on April 17, 1986.)

2 North LaSalle Street
Chicago, Illinois 60602
(312) 782-3820

Officers: James L. Dutt, chairman of the board and chief executive officer; Frank E. Grzelecki, executive vice president and president-Consumer Products; David E. Lipson, executive vice president and chief financial officer; Anthony Luiso, executive vice president and president-U.S. Food; William S. Mowry, Jr., executive vice president and president-International Food; Richard J. Pigott, executive vice president and chief administrative officer; Fred M. Adamany, senior vice president and president-Refrigerated Food; Nolan D. Archibald, senior vice president and president-Consumer Durables; John R. Attwood, senior vice president and president-Beverage; Reuben W. Berry, senior vice president-Organization and Management Resources; Thomas P. Kemp, senior vice president and president-Grocery; William E. Reidy, senior vice president and director-Corporate Strategy; Hercules P. Sotos, senior vice president and president-International Playtex; Richard F. Vitkus, senior vice president and general counsel; Richard S. Williamson, senior vice president-Corporate and International Relations; Mary D. Allen, vice president and assistant general counsel; Chance Bahadur, vice president and treasurer; William P. Carmichael, vice president and director-taxes; John S. Corcoran, vice president; Edward

Beatrice Companies, Inc.

Ehrenberg, vice president and director-Planning and Operations Staff; Michael Fung, vice president and director-Operations Analysis; Donald H. Klein, vice president and director-security; Daniel M. Lechin, vice president and director-corporate development; Mari Meseng, vice president and director-corporate relations; Lee F. Reiser, Jr., vice president and director-special events; John A. Stevens, vice president and controller; M. Patricia Kehoe, secretary; A. Jerome Becker, assistant vice president and director-International Treasury; Kathleen B. Kallman, assistant vice president and assistant to the chairman.

Directors: Angelo R. Arena, Alexander Brody, G.A. Costanzo, James W. Cozad, James L. Dutt, chairman of the board, Frank E. Grzelecki, Walter J. Leonard, David E. Lipson, Anthony Luiso, Bernard A. Monaghan, William S. Mowry, Jr., Richard J. Pigott, Cedric E. Ritchie, Goff Smith, Jayne B. Spain, Omer G. Voss, Russell L. Wagner, Murray L. Weidenbaum.

Areas of Work: The company recently acquired Esmark, Inc. Through Estronico, Inc. an Esmark subsidiary, the company manufactures high performance audio and high fidelity loudspeakers. Other industries served by Esmark companies are industrial and automotive products.

Number of Employees:

1984	100,000

Sales and Earnings

	Net Sales † (000's)	Net Income (000's)
1985	$ 12,595,000	$ 479,000
1984	9,327,000	433,000
1983	9,139,000	43,000
1982	9,021,000	390,000
1981	8,773,000	304,000

	No. of Com. Shares	Earn. per Share ‡
1985	91,655,000	$ 5.06
1984	91,440,000	4.23
1983	99,084,000	0.27
1982	98,439,000	3.02
1981	N.A.	2.94

N.A.-Not Available.
† Includes operating revenues.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
U.S. Food	$ 6,270,000	$ 4,095,000
Consumer prods.	1,953,000	948,000
International food	1,852,000	1,732,000
Avis/Other operations	821,000	28,000
Divestitures	1,699,000	2,524,000
Total	$ 12,595,000	$ 9,327,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.70	—	—
1984	1.60	—	—
1983	1.50	—	—
1982	1.40	—	—
1981	1.30	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$2,114,000,000	$ 23.07
1984	1,834,000,000	20.06
1983	1,961,000,000	19.77
1982	2,162,000,000	21.95

‡ After allowing for preferred stock at redemption values.

Income Account *
(000's)

Year ended	2/28/85	2/29/84
Net sales	$ 12,595,000	$ 9,327,000
Cost of sales	8,789,000	6,664,000
Expenses	2,761,000	1,771,000
Depreciation	265,000	194,000
Interest income	(55,000)	(39,000)
Interest expense	449,000	113,000
Business realignment	(414,000)	(163,000)
Other income	(38,000)	(16,000)
Income before taxes	$ 838,000	$ 803,000
Income taxes	349,000	360,000
Minority interests	10,000	10,000
Net Income	$ 479,000	$ 433,000

Assets
(000's)

As of	2/28/85	2/29/84
Cash	$ 126,000	$ 67,000
Short-term invest.	222,000	65,000
Divestiture proceeds	855,000	—
Accts. receiv., net	1,201,000	906,000
*Inventories	1,418,000	819,000
Rental vehicles	846,000	—
Other curr. assets	375,000	101,000
Current Assets	$ 5,043,000	$ 1,958,000
Investments	246,000	75,000
#Fixed assets	2,198,000	1,559,000
Unallocated purch. cost	1,924,000	—
Other assetss	285,000	131,000
Intangibles	683,000	741,000
Total Assets	$ 10,379,000	$ 4,464,000

Liabilities
(000's)

Long-term debt, curr. & short-term debt	$ 2,108,000	$ 212,000
Accts. payable	1,020,000	583,000
Accruals	1,304,000	470,000
Curr. Liabilities	$ 4,432,000	$ 1,265,000
Long-term debt	2,587,000	779,000
Other liabilities	549,000	176,000
Minority interest	80,000	57,000
Deferred inc. taxes	374,000	159,000
+ Preferred stock:		
Series A cum. convert.	168,000	194,000
Convert. Adjust.	75,000	—
+ Common stock	189,000	189,000
Add. paid-in capital	180,000	178,000
Retained earnings	2,304,000	2,005,000
Treasury stock	(344,000)	(353,000)
For curr. tran. adjust.	(215,000)	(185,000)
Total Liabilities & Shareholders' Equity	$ 10,379,000	$ 4,464,000

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.65	8.61
%Net Income to Sales	3.80	4.64
%Net Income to Equity	20.32	21.35
Sales to Inventories	8.88	11.39
Working Capital	$ 611,000,000	$ 693,000,000
Current Ratio	1.14	1.55
Shareholders' Equity	$2,357,000,000	$2,028,000,000

Becton Dickinson and Company

Mack Centre Drive
Paramus, New Jersey 07652
(201) 967-3700

Officers: Wesley J. Howe, chairman of the board, president & chief exec. officer; Photios T. Paulson, exec. v.p.; Henry P. Becton, vice chairman; Raymond V. Gilmartin, sr. v.p.; Robert G. Butler, secretary; Robert W. Alpers, v.p.-manufacturing services; Robert P. Denise, v.p. & treasurer; John W. Galiardo, v.p. & general counsel; Donald S. Hetzel, v.p.-research & development; Mark H. Borofsky, v.p.-taxes; Edward D. Lundy, v.p.-organization, planning & development; Edward R. Duffie, Jr., v.p.-medical affairs; E. Ralph Biggadike, v.p.-strategic management; Wilson Nolen, Nagesh S. Mhatre, Willard O. Andrews, v.p.'s; Robert A. Reynolds, v.p. & controller; James W. Hulse, v.p.-quality and regulatory affairs; C. Edward Snyder, v.p.-human resources; Richard F. Carey, James S. Burns, Franklin J. Iris, group presidents; Clateo Castellini, Herbert B. Morote, sector presidents.

Directors: Wesley J. Howe*, chairman; Henry P. Becton*, vice chairman; Harry N. Beaty, Raymond V. Gilmartin, Robert W. Haack, Richard W. Hanselman, William B. Macomber, Frank A. Olsen, Photios T. Paulson*, Gerald M. Edelman, Fred R. Sullivan*, Raymond S. Troubh*.

* Member of the Executive Committee.

Areas of Work: The Company manufactures a broad range of medical, diagnostic and industrial safety products for use by the medical profession, industry and the general public.

Divisions and Subsidiaries:

BBL Microbiology Systems
250 Schilling Circle
Cockeysville, Maryland 21030
Develops tests for infectious diseases.

Bard-Parker
2 Bridgewater Lane
Lincoln Park, New Jersey 07035

Becton Dickinson FACS
490 B Lakeside Drive
Sunnyvale, California 94086
(408) 738-8558
Manufactures fluorescence-activated cell sorter systems which include an analysis console with microprocessor and keyboard.

Becton Dickinson Immunodiagnostics
Mountain View Avenue
Orangeburg, New York 10962
(914) 359-2700
Manufactures automated radioimmunossay equipment which is used to detect the presence of extremely small quantities of minute substances.

Becton-Dickinson
Rutherford, New Jersey 07070

Becton-Dickinson Consumer Products
365 West Passaic Street
Rochelle Park, New Jersey 07662

Becton-Dickinson Laboratory Systems
333 Littleton Road, Suite 101
Parsippany, New Jersey 07054

Becton-Dickinson Labware
1950 Williams Drive
Oxnard, California 93030

Becton-Dickinson Monoclonal Center, Inc.
2375 Garcia Avenue
Mountain View, California 94043

Becton-Dickinson Pharmaceutical Systems
Rutherford, New Jersey 07070

Digitran
3100 New York Drive
Pasadena, California 91107

Produces digital switches used in instrument panels.

Endevco Corporation
Rancho Viejo Road
San Juan Capistrano, California 92675

Produces electronic test equipment to measure and monitor shock, vibration, force, pressure, acceleration and acoustic emissions.

Becton-Dickinson Research Center
Davis Drive
Research Triangle Park, North Carolina 27709

Becton-Dickinson VACUTAINER Systems
Mahoney Troast Building
Route 17 North
Rutherford, New Jersey 07070

Becton-Dickinson International Sales
Mack Center Drive
Paramus, New Jersey 07652

Clay Adams Laboratory Systems
299 Webro Road
Parsippany, New Jersey 07054

Develops equipment for hematology analysis.

Edmont
1300 Walnut Street
Coshocton, Ohio 43812

Produces personal safety wearing apparel primarily for automobile and construction industries.

Ivers-Lee
147 Clinton Road
West Caldwell, New Jersey 07006

Provides packaging services to pharmaceutical, cosmetics and toiletry companies.

Becton-Dickinson Overseas, Inc.
Becton-Dickinson Asia Pacific
Shimato Building
5-34, Akaska 8-Chome
Minato-Ku
Tokyo 107, Japan

Becton-Dickinson Europe
Pre Pichat
5, Chemin des Sources
38240 Meylan, France

Becton-Dickinson VACUTAINER Systems-Europe
Becton-Dickinson Laboratory Products-Europe
Becton-Dickinson Medical Products-Europe
All at:
Pre Pichat
5, Chemin des Sources
38240 Meylan, France

Becton-Dickinson Latin America
Mack Centre Drive
Paramus, New Jersey 07652

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: BDX

Number of Employees:

1985	16,900	1982	21,200
1984	17,700	1981	21,500
1983	19,100		

Plant Footage:

1985 . . . . 8,055,000 sq. ft.

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,143,789	$ 88,002
1984	1,126,845	63,403
1983	1,119,520	35,930
1982	1,113,921	76,692
1981	1,066,093	75,863

	No. of Com. Shares ‡	Earn. per Share ‡
1985	21,169,000	$ 4.20
1984	21,227,000	3.03
1983	21,573,000	1.71
1982	21,437,000	3.63
1981	21,378,000	3.61

‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Medical	$ 688,873	$ 668,757
Laboratory	261,801	260,828
Industrial safety	193,115	197,260
	$ 1,143,789	$ 1,126,845

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.1625	—	—
1983	1.15	—	—
1982	1.10	—	—
1981	1.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1985	$ 681,052	$ 33.65
1984	606,775	30.05
1983	597,710	28.80
1982	584,360	28.42
1981	565,896	27.85

+ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 1,143,789	$ 1,126,845
Cost of sales	625,566	628,717
Expenses	380,576	392,117
Interest expense	19,260	22,757
Interest income	(19,536)	(23,824)
Other expense	6,954	14,170
Income before taxes	$ 130,969	$ 92,908
Income taxes	42,967	29,505
Net Income	$ 88,002	$ 63,403

* Included in Costs and Expenses, Depreciation and Amortization: $59,390,000 in 1985 and $59,127,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 8,398	$ 9,454
Investments	109,956	138,665
Receivables, net	208,242	198,991
*Inventories	182,742	165,971
Deferred income taxes	—	15,163
Other curr. assets	67,146	37,282
Current Assets	$ 576,484	$ 565,526
#Fixed assets	478,978	431,159
Other assets	161,449	104,462
Intangibles	23,997	28,083
Total Assets	$ 1,240,908	$ 1,129,230

Liabilities
(000's)

	1985	1984
Notes payable	$ 57,260	$ 12,614
Long-term debt, curr.	3,949	10,132
Accts. payable & accruals	133,027	135,093
Accrued payroll	78,745	87,955
Income taxes	9,799	—
Curr. Liabilities	$ 282,780	$ 245,794
Long-term debt	220,728	226,531
Deferred inc. taxes	56,348	50,130
+Common stock	21,006	20,986
Add. paid-in capital	130,274	125,637
Foreign curr. trans. adj.	(54,668)	(63,566)
Retained earnings	610,026	546,232
Treasury stock	(25,586)	(22,514)
Total Liabilities & Shareholders' Equity	$ 1,240,908	$ 1,129,230

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.45	8.24
%Net Income to Sales	7.69	5.63
%Net Income to Equity	12.92	10.45
Sales to Inventories	6.26	6.79
Debt to Equity	0.41	0.41
Working Capital	$293,704,000	$319,732,000
Current Ratio	2.04	2.30
Shareholders' Equity	$681,052,000	$606,775,000

Beehive International

4910 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 355-6000

Mailing Address:

P.O. Box 30668
Salt Lake City, Utah 84130

Officers: Thomas A. Howard, chairman of the board; Joseph F. Carbone, Jr., president; C. Bruce Collet, v.p., chief financial officer & treasurer; Pat A. Palmer, v.p.-sales; Richard K. Hodge, v.p.-int'l sales; Timothy W. May, v.p.-marketing; Robert E. Sherlin, v.p.-operations; Randall L. Romrell, v.p.-administrator, secretary & general counsel.

Directors: Thomas A. Howard, chairman; Joseph F. Carbone, Richard K. Hodge, Paul Dali, Herbert T. Hensley, John H. Clark, Beverly J. Russell.

Areas of Work: Assembly and sale of high performance display terminals in the telecommunications and system integration marketplace.

Transfer Agent(s):

Manufacturers Hanover Trust of California
San Francisco, California 94144

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Revenues +	Net Income
1985	$ 13,605,000	$ (8,051,000)
1984	29,477,000	(14,406,000)
1983	26,284,000	(1,626,000)
1982	29,520,000	1,006,000
1981	39,707,000	4,414,000

	No. of Com. Shares #	Earn. per Share #
1985	6,779,204	$ —
1984	3,116,231	—
1983	3,070,950	—
1982	3,036,853	—
1981	2,794,260	1.58

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Beehive International

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ (4,464,000)	$ —
1984	3,565,0002	1.14
1983	17,945,000	5.84
1982	19,257,000	6.34
1981	18,208,000	6.52

(Deficiency)

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 13,697	$ 28,604
Other income (expense)	92	873
Total income	$ 13,605	$ 29,477
Cost of sales	11,800	21,369
Expenses	9,423	13,771
Interest expense	433	1,032
Writedown of Beehive, Ltd.	—	8,473
Loss before taxes	(8,051)	(15,168)
Tax credit	—	(762)
Net Loss	$ (8,051)	$ (14,406)

* Included in Costs and Expenses, Depreciation and Amortization: $2,391,000 in 1985 and $1,633,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 244	$ 861
Short-term invest.	26	—
Accts. receiv., net	2,816	4,147
*Inventories	3,808	4,445
Prepaid expenses	341	187
Income tax receivable	144	144
Receiv. from Beehive, Ltd.	299	782
Current Assets	$ 7,678	$ 10,566
#Fixed assets	3,932	6,399
Other assets	38	427
Service stock	726	857
Total Assets	$ 12,374	$ 18,249

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 2,260	$ 6,737
Accts. payable	1,075	4,698
Accruals	797	1,303
Curr. Liabilities	$ 4,132	$ 12,738
Long-term debt	6,547	1,946
+ Redeem. pref. stock	6,159	—
+ + Common stock	31	63
Add. paid-in capital	11,282	11,521
Retained earnings (deficit)	(15,777)	(7,726)
Treasury stock	—	(49)
Receiv. from Beehive, Ltd.	—	(244)
Total Liabilities & Shareholders' Equity	$ 12,374	$ 18,249

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ $10 par value.
+ + No par value, 1985; $0.02 par value, 1984.

Statistical Summary

Sales to Inventories	3.60	6.44
Debt to Equity	—	2.44
Working Capital	$ 3,546,000	—
Current Ratio	1.86	—
Shareholders' Equity (Deficiency)	$(4,464,000)	$3,565,000

Bel Fuse Inc.

198 Van Vorst Street
Jersey City, New Jersey 07302
(201) 432-0463

Officers: Elliot Bernstein, president; Howard Bernstein, vice president & treasurer; Daniel Bernstein, v.p.-operations; Arnold Sutta, v.p.-marketing; Robert Simandl, secretary.

Directors: Elliot Bernstein, Howard Bernstein, Robert Simandl, Sidney Faber, Seymour Offerman, Peter Loh, Joel Wiener.

Areas of Work: Manufactures electronic components for the home entertainment and data processing equipment markets. Products include chemical fuses, circuit breakers, special protective devices, spark gaps, delay lines, and special coil products.

Subsidiaries:

Bel Fuse Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

Bel Fuse Macao Liméted
Fabrica G-1, Do Andar,
Do Predio Comos
Nos. 169-169A
Av. Almirante Lacerda
Macao

Bel Components Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

Transfer Agent(s):

First Jersey National Bank
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BELF (NASDAQ)

Number of Employees:

1985	957	1984	1,362

Plant Footage:

1985	129,000 sq. ft.	1984	129,000

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 17,873,074	$ 1,343,493
1984	26,274,592	4,765,009
1983	18,437,377	3,436,149
1982	12,399,195	1,213,454
1981	10,222,802	357,176

	No. of Com. Shares #	Earn. per Share #‡
1985	4,760,600	$ 0.28
1984	4,729,811	1.01
1983	3,982,306	0.86
1982	3,925,320	0.31
1981	3,925,320	0.09

‡ Including extraordinary gains of $18,000 in 1983 and $45,000 ($0.01 per share) in 1982.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Divend	Stock Split
1985	—	—	—
1984	—	—	2-for-1
1983	—	—	5-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 18,226,677	$ 3.83
1984	16,842,934	3.56
1983	12,027,831	3.02
1982	4,217,156	1.07
1981	3,003,702	0.77

# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 17,873,074	$ 26,274,592
Cost of sales	12,062,548	15,411,613
Expenses	4,791,285	5,242,700
Other income	(516,750)	(411,194)
Interest expense	80,528	128,728
Eq. in loss (earn.) of assoc. co.	14,970	(6,264)
Income before taxes	$ 1,440,493	$ 5,909,009
Income taxes	97,000	1,144,000
Net Income	$ 1,343,493	$ 4,765,009

* Included in Costs and Expenses, Depreciation and Amortization: $1,006,250 in 1985 and $751,347 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 8,496,025	$ 6,213,933
Accts. receiv., net	2,075,242	2,763,788
*Inventories	2,209,332	3,551,606
Prepaid expenses	136,939	119,845
Due from officers	250,834	—
Deferred income taxes	80,000	155,000
Current Assets	$ 13,248,372	$ 12,804,172
#Fixed assets	6,939,226	6,972,943
Other assets	108,779	144,634
Invest. in assoc. co.	182,035	227,679
Total Assets	$ 20,478,412	$ 20,149,428

Liabilities

	1985	1984
Long-term debt, curr.	$ 183,151	$ 182,682
Accts. payable	333,898	460,383
Accruals	584,812	716,651
Due to officer	—	125,000
Income taxes	496,785	668,730
Curr. Liabilities	$ 1,598,646	$ 2,153,446
Long-term debt	412,089	875,048
Deferred inc. taxes	241,000	278,000
+ Common stock	482,610	480,310
Add. paid-in capital	4,397,029	4,359,079
Retained earnings	13,355,870	12,012,377
Treasury stock	(8,832)	(8,832)
Total Liabilities & Shareholders' Equity	$ 20,478,412	$ 20,149,428

* At lower of cost (weighted average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.06	22.49
%Net Income to Sales	7.52	18.14
%Net Income to Equity	7.37	28.29
Sales to Inventories	8.09	7.40
Debt to Equity	0.03	0.06
Working Capital	$11,649,726	$10,650,726
Current Ratio	8.29	5.95
Shareholders' Equity	$18,226,677	$16,842,934

Bell & Howell Company

5215 Old Orchard Road
Skokie, Illinois 60077-1076
(312) 470-7100

Officers: Donald N. Frey, chairman of the board & chief executive officer; Gerald E. Schultz, president & chief operating officer; Gary D. Eisenberger, W. James Donaldson, David T. Jones, William C. Jackson, Jr., Richard L. Miller, Gary W. Ampulski, John B. Kambanis, vice presidents; Eugene F. Sikorovsky, v.p., gen. counsel & secretary; Jerome B. Herb, v.p. & controller; Philip P. Haag, Joseph S. Secker, asst. controllers; William A. Roper, v.p. & treasurer; Patrick J. Graver, asst. treasurer; Lynn E. Straley, Richard O. Becker, asst. secretaries.

Directors: Donald N. Frey, chairman; James J. O'Connor, Theodore Operhall, Joseph B. Platt, Peter G. Scotese, Henry G. Van der Eb, John F. Mitchell, Gerald E. Schultz, James J. Gavin, Jr., Robin B. Smith, Duane L. Burnham, Edwin A. Gee.

Areas of Work: Operating divisions are grouped in two lines of business: Specialized Business Equipment, and Learning Systems & materials. Specialized Business Equipment, the largest division, includes microfilm products and service, microfiche, computer output microfilm (COM), mail handling systems, remittance processing, professional film printers and duplicators. Learning Systems offers teaching material, text books, eight institutes of technology, video-cassettes and projectors.

Divisions and Subsidiaries:

MICROIMAGERY GROUP

Administrative Offices
6800 McCormick Road
Chicago, IL 60645-2797
(312) 675-7600

COM Products Division
16691 Hale Avenue
Irvine, CA 92714-5047
(714) 660-1050
COM equipment, processors, duplicators and consumable supplies.

Micro Design Division
857 West State Street
Hartford, WI 53027-1063
(414) 673-3920
Micrographic readers and reader/printers; also distributes related supplies and accessories.

Microfilm Products Division
6800 McCormick Road
Chicago, IL 60645-2797
(312) 675-7600
Instant imaging microfilm systems, microfilm recorders with microprocessor logic, Microx systems, data search microfilm and retrieval systems, jacket filing systems, micromanagement, microfilm and microfiche readers and reader/printers, microfilm cameras, customer service.

Publication Systems Division
Old Mansfield Road
Wooster, OH 44691-9050
(216) 264-6666
Microfilm and microfiche systems for industry and education. Micro publisher of information products including newspapers, periodicals, indexes, directories, career guidance. Production facilities also in New Jersey and Puerto Rico.

Enbee Transparent Specialty Co.
31-35 31st Street
Astoria, New York 11106
(212) 672-9000
Photo album inserts.

NB Jackets de Puerto Rico
Road #1 K.M. 33.5
P.O. Box 1151
Caguas, Puerto Rico 00625
(809) 744-9397
Microfilm jackets.

BUSINESS EQUIPMENT GROUP

Administrative Offices
6800 McCormick Road
Chicago, IL 60645-2797
(312) 675-7600

Business Data Products Division
Administrative & Sales Office
2720 Des Plaines Ave., Suite 106
Des Plaines, IL 60018-4135
(312) 297-1225

Operations & Service
5000 Rivergrade Road
P.O. Box 9100
Baldwin Park, Calif. 91706-0991
(818) 814-2355
Remittance processing systems.

DocuMail Systems Division
Administration & Operations
6800 McCormick Road
Chicago, IL 60645-2793
(312) 539-7300

U.S.P.S. Engineering & Service
9801 Industrial Blvd.
Lenexa, Kansas 66215-1293
(913) 888-8775
Sorters for the U.S. Postal Service; sorters & letter openers (commercial).

Phillipsburg Division
Administration, Sales & Service
2300 Brummel Place
Evanston, IL 60202-3612
(312) 475-6100

Operations:

P.O. Box 7950
795 Roble Road
Lehigh Valley, PA 18001-7958

2300 Brummel Place
Evanston, IL 60202-3612
(312) 475-6100

Mailmobile Sales & Service
411 E. Roosevelt Street
Zeeland, MI 49464-9719
(616) 772-1000
Mail addressing, inserting, labeling, weighing equipment; sorters & letter openers (commercial) and Mailmobile unmanned delivery vehicles.

VISUAL COMMUNICATIONS GROUP

Administration & Operations
6800 McCormick Road
Chicago, IL 60645-2793
(312) 673-3300
Audiovisual Products--audio tape recorders, RingMaster slide/sound projectors, overhead projectors. Language Master systems and software, 16mm projectors. Micro-Visual Products--microcomputer systems and software for computer-aided instruction, training and education.

MERRILL PUBLISHING DIVISION

Administrative Offices & Publishing Center
936 Eastwind Drive
Westerville, Ohio 43081-3329
(614) 890-1111

Fulfillment Center
1300 Alum Creek Drive
Columbus, Ohio 43216-0508
(614) 258-8441

West Coast Fulfillment Office
833 N. Market Boulevard
Sacramento, California 95834-1205
(916) 924-3227/3228
Publisher of elementary, high school and college textbooks and educational test materials.

DeVRY INC.

Administrative Offices
2201 W. Howard Street
Evanston, IL 60202-3698
(312) 328-8100
Resident training in electronics engineering technology and computer science for business.

BELL & HOWELL/COLUMBIA PARAMOUNT PICTURES VIDEO SERVICES (40% owned)

Administrative Offices
625 Landwehr Road
Northbrook, IL 60062-2373
(312) 480-6900

Editel
301 E. Erie St.
Chicago, IL 60611
(312) 440-2360

222 E. 44th Street
New York, NY 10017
(212) 867-4600

729 N. Highland Ave.
Hollywood, CA 90038
(213) 931-1821
Video post production.

Tandy/Bell & Howell Home Video (T/B&H)
3055 MacArthur Boulevard
Northbrook, IL 60062-2373
(312) 272-3944
Video cassettes.

Video Systems Division
720 Landwehr Road
Northbrook, IL 60062-2373
(312) 291-1150
Video duplication.

Video Systems Division
West Duplicating
354 Coral Circle
El Segundo, CA 90245-4678
(213) 640-3430
Video duplication.

EUROPEAN REGION

Bell & Howell Ltd.
European Region Headquarters
AV/Video Division Administration
Alperton House
Bridgewater Road
Wembley, Middlesex HAO 1EG, England
(London) 902-8812
AV/Video.

Bell & Howell Ltd.
Business Equipment Division
33-35 Woodthorpe Road
Ashford, Middlesex TW15 2RJ England
(Ashford) 51234
Microimagery and business equipment (BED).

Bell & Howell AB
Grensveien 73
Oslo 6, Norway
(Stockholm) 98 1250
AV/Video.

Bell & Howell AB
Vintergaten 1
S-17230 Sundyberg, Sweden
(Stockholm) 98 1250
AV/Video.

Bell & Howell Benelux S.A.
321, Leuvensesteenweg
B-1940 St. Stevens
Woluwe/Zaventem, Belgium
(Brussels) 720 92 75 (BED, AV/Video)
(Brussels) 720 92 78 (NB Jackets)

Bell & Howell France, SA
32-34 Rue Fernand-Pelloutier
92112 Clichy Cedex, France
(Paris) 270 9480
AV/Video, BED.

Bell & Howell GmbH
Gruener Weg 8
D-6360 Friedberg/Hessen
West Germany
(Friedberg) 496-031-871
Phillipsburg systems and electronic devices.

Bell & Howell Italia SpA
Via Barnaba Oriani, 22/4
20156 Milan, Italy
011-39-2-30-10-141 or 2-30-6-841
AV/Video.

Bell & Howell Ltd. England, Dansk Filial
Oliefabriksveg 29.43

DK-2770 Kastrup, Denmark
(Copenhagen) 523355
AV/Video.

Bell & Howell Mfg. S.A.

Clonshaugh, Dublin 17, Eire, Ireland
(Dublin) 472-675
Microfilm readers, overhead projectors.

Bell & Howell Micromedia Division
Telford Road, Launton Industrial Estate
Bicester, Oxon OX6 OUP
(Bicester) 45711, England
Micropublishing products.

Inter Electronics BV
Nijverheidsstraat 22,
6987 ZG GIESBEEK, Holland
011-31-8336-1841
AV/Video.

Pretec Precisie Techniek BV
Kuyperlaan 28
Postbus 53
1160 AB Zwanenburg,
Netherlands
(Zwanenburg) 3652
Mail handling products, microimagery.

Video Zoom Italia SpA
Via Columella 22
20128 Milan, Italy
(Milan) 257 9419
Video tape duplication, post production.

WESTERN INTERNATIONAL GROUP

Administrative Offices
6800 McCormick Road
Chicago, Illinois 60645-2793
(312) 673-3300

AUSTRALIA
Bell & Howell Australia, Pty., Ltd.
9 Short Street
Chatswood, NSW
Australia 2067
011-612-660-5366
Audiovisual (AV), Business Equipment (BEG), and Microimagery (MIG).

CANADA
Bell & Howell Ltd.
230 Barmac Drive
Weston, Ontario, Canada M9L 2X5
(416) 746-2200
AV, Merrill Publishing, MIG, BEG.

LATIN AMERICA AND ASIA PACIFIC
Administration
6800 McCormick Road
Chicago, IL 60645-2973
AV, MIG, BEG.

Bell & Howell Company - Japan
11-28 Akasaka
8F Andoh Fukuyoshi Bldg.
1-Chome, Minato-ku
Tokyo 107, Japan
011-813-582-4691
AV, MIG, BEG.

Bell & Howell Systemas, Ltda.
Rua Augusta 1141 Centro
Sao Paulo, S.P., Brazil
011-5511-231-0200
MIG.

Acquisition(s):

University Microfilms International
Ann Arbor, Michigan
Engaged in the republishing of reading materials in microfilm, xenographic and on-line formats.

Bekins Records Management Companies
Los Angeles, California
Engaged in the off-site storage, retrieval and management of documents for professional, corporate, financial, and health care organizations.

Image Processing Systems Division
of S.T.C. Canada, Inc.
Electronic imaging software and systems.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
Stock Transfer Department
30 West Broadway
New York, N.Y. 10015

Stock Exchange(s)*: New York, Midwest, Pacific.

* Listed and/or traded.

Ticker Symbol: BHW

Number of Employees:

1985	11,000	1982	11,235
1984	10,349	1981	11,244
1983	9,508		

Sales and Earnings

	Net Sales +	Net Income †
1985	$ 759,832,000	$ 32,186,000
1984	713,548,000	33,047,000
1983	679,248,000	41,191,000
1982	611,805,000	(2,930,000)
1981	578,376,000	21,627,000

	No. of Com. Shares ×	Earn. per Share ‡†
1985	10,520,000	$ 3.06
1984	10,871,000	3.04
1983	12,593,910	3.59
1982	11,281,032	—
1981	11,242,008	1.92

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $7,215,000 ($0.63 per share) in 1983 and $3,735,000 ($0.33 per share) in 1981.
× Adjusted to reflect stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Career education	$ 135,500	$ 130,900
Publishing	118,000	103,200
Visual comm. systems	108,300	115,700
Information storage retrieval	236,800	214,600
Document/mail processing	161,200	149,100
Total	$ 759,800	$ 713,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.575	—	—
1984	0.515	—	—
1983	0.49	—	2-for-1
1982	0.48	—	—
1981	0.48	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$207,461,000#	$ 19.72
1984	163,113,000#	15.00
1983	135,055,575#	10.72
1982	171,739,000‡	15.22
1981	185,347,000‡	16.40

# After allowing for preferred stock at redemption value of $15 per share.
‡ After allowing for preferred stock at liquidation value of $60 per share.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales	$ 759,832	$ 713,548
Other income	24,445	17,644
Total income	$ 784,277	$ 731,192
Cost of sales	490,092	454,371
Expenses	231,981	218,029
Interest expense	14,567	12,125
Unusual items	(174)	—
Income before taxes	$ 47,811	$ 46,667
Income taxes	14,194	12,189
Minority interest	1,431	1,431
Net Income	$ 32,186	$ 33,047

* Included in Costs and Expenses, Depreciation: $16,839,000 in 1985 and $13,198,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash	$ 77,567	$ 78,977
Accts. receiv., net	120,945	128,124
*Inventories	138,540	111,561
Prepaid expenses	5,609	3,838
Prepaid taxes	27,690	18,780
Current Assets	$ 370,351	$ 341,280
#Fixed assets	208,782	107,076
Investments & other assets	89,799	49,238
Total Assets	$ 668,932	$ 497,594

Liabilities
(000's)

Notes payable	$ 14,676	$ 9,194
Long-term debt, curr.	1,199	3,388
Accts. payable	50,532	42,338
Accruals	94,878	58,890
Deferred income	76,109	51,370
Income taxes	11,624	6,162
Curr. Liabilities	$ 249,018	$ 171,342
Long-term debt	145,873	89,431
Deferred compens.	13,542	10,927
Deferred inc. taxes	13,326	11,625
Minority interests	10,252	8,691
+ Preferred stock	1,881	2,763
+ + Common stock	16,976	15,648
Add. paid-in capital	16,965	16,141
Retained earnings	217,912	191,978
Cum. trans. adjust.	(16,813)	(20,952)
Total Liabilities & Shareholders' Equity	$ 668,932	$ 497,594

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.60 cumulative convertible.
+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.29	6.54
%Net Income to Sales	4.24	4.63
%Net Income to Equity	13.59	16.08
Sales to Inventories	5.48	6.40
Debt to Equity	0.68	0.45
Working Capital	$121,333,000	$169,938,000
Current Ratio	1.49	1.99
Shareholders' Equity	$236,921,000	$205,578,000

Bell Industries, Inc.

11812 San Vicente Boulevard, Suite 300
Los Angeles, California 90049
(213) 826-6778

Officers: Theodore Williams, chairman of the board & president; Howard B. Franklin, Samuel Essick, sr. v.p.'s; Nathan Landgarten, sr. v.p. & treasurer; Bruce M. Jaffe, sr. v.p.-finance & secretary; Vernon D. Severy, Paul F. Doucette, D.J. Hough, v.p.'s; Dennis M. Benson, controller & asst. treasurer; Dennis J. Hoertt, asst. v.p.

Bell Industries, Inc.

Directors: T.E. Williams*, chairman; Howard B. Franklin*, Bruce M. Jaffe*, Nathan Landgarten*, John J. Cost, Ellis Ring, Milton Rosenberg.

*Member of the Executive Committee.

Areas of Work: Company activities may be classified into the following groups: The Electronics Group is a major distributor of electronic components representing 50 leading electronics manufacturers. The Electronics Group also manufactures computer memory discs and other high precision, close tolerance products for the computer and aerospace industries including basic illumination for aircraft instrumentation, aircraft hydraulic valve sub-assemblies, multi-layered printed circuitry used in space flight and avionic guidance systems, computer hardware components, and electronic components used in communications and other computer applications. The other three operating groups include: The Building Products Group, which is engaged in the distribution of heating, air conditioning, plumbing and solar energy products through nine California facilities; The Motor Vehicle Parts & Accessories Group which stocks spare parts and accessories for motorcycles, recreational vehicles, and mobile homes; and The Graphic Arts Group which distributes film, chemicals and printing equipment in California.

Divisions:

Electronic Distribution Group
1161 N. Fairoaks
Sunnyvale, California 94089
(408) 734-8570

Electronic Distributor Divisions
515 Busse Road
Unit D-1
Elk Grove Village, Illinois 60007
(312) 640-1910

1900 132nd N.E.
Bellevue, Washington 98005
(206) 747-1515

1705 West 4th Street
Tempe, Arizona 85281
(602) 966-7800

8155 West 48th Avenue
Wheatridge, Colorado 80033
(303) 424-1985

3639 West 2150 South
Salt Lake City, Utah 84120
(801) 972-6969

306 East Alondra Boulevard
Gardena, California 90247
(213) 515-1800

11728 Linn N.E.
Albuquerque, New Mexico 87123
(505) 292-2700

12322 Monarch Street
Garden Grove, California 92641
(714) 895-7801

500 Giuseppe Court #7
Roseville, California 95678
(916) 969-3100

1829A De Havilland Drive
Thousand Oaks, California 91320
(805) 499-6821

2599 Garcia Avenue
Mountain View, California 94043
(415) 960-1440

W. 227 N. 913 West Mound Drive
Waukesha, Wisconsin 53186
(414) 547-8879

6024 Southwest Jean Road
Lake Oswego, Oregon 97034
(503) 241-4115

118 Westpark Road
Dayton, Ohio 45459
(513) 434-8231

444 Windsor Park Drive
Dayton, Ohio 45459
(513) 435-8660

133 South Pennsylvania Avenue
Indianapolis, Indiana 46204
(317) 634-8202

3433 East Washington Avenue
Fort Wayne, Indiana 46801
(219) 423-3422

Electronic Manufacturing Group

Illuminated Displays Division
18225 N.E. 76th Avenue
Redmond, Washington 98052
(206) 885-4353

Technical Products Division
3590 W. Third Avenue
Eugene, Oregon 97402
(503) 683-2355

Computer Memory Division
2360 Zanker Road
San Jose, California 95131
(408) 262-5747

Precision Components Division
12605 South Van Ness Avenue
Hawthorne, California 90250
(213) 757-8381

Precision Metalcrafts Divison
2637 Marine Way
Mountain View, California 94040
(415) 961-5532

J.W. Miller Division
19070 Reyes Avenue
Rancho Dominguez, California 90221
(213) 537-5200

Electronics Systems Division
1831 South Ritchey Street
Santa Ana, California 92705

Graphics Arts Group

Graphic Arts Supply Division
4425 Sheila Street
Commerce, California 90023
(213) 268-9500

Graphic Arts Supply Division
615 Dado Street
San Jose, California 95131
(408) 946-5100

RV/MH Group

RV/MH Supplies Division
500 Hardman Ave.
South St. Paul, Minnesota 55075
(612) 450-9020

RV/MH Supplies Division
12775 W. Silver Spring Road
Butler, Wisconsin 53007
(414) 781-1860

Building Products Group

Plumbing Suply Division
7 College Avenue
Santa Rosa, California 95401
(707) 545-7101

Reliable Steel Supply Division
740 E. 111th Place
Los Angeles, California 90059
(213) 777-3111

Reliable Heating & Air-Conditioning Division
9707 Aero Drive
San Diego, California 92123
(619) 279-9750

Desert Service Division
1375 East Base Line
San Bernardino, California 92410
(714) 884-3103

Transfer Agent(s):

Union Bank
Corporate Trust Department, 11th Floor
3810 Wilshire Boulevard
Los Angeles, California 90010

Union Bank
140 Cedar Street
New York, New York 10006

Stock Exchange(s): New York, Pacific

Ticker Symbol: BI

Number of Employees:

1985	1,800	1982	1,700
1984	2,300	1981	1,600
1983	2,000		

Plant Footage:

1985	N.A.	1984	1,174,000 sq. ft.

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 304,134,000	$ 6,747,000
1984	312,036,000	11,250,000
1983	224,134,000	6,810,000
1982	204,856,000	7,645,000
1981	191,034,000	7,290,000

	No. of Com. Shares #	Earn. per Share #
1985	5,364,000	$ 1.26
1984	5,099,000	2.21
1983	4,548,000	1.50
1982	4,495,000	1.70
1981	4,408,000	1.65

# Based on the average number of shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Electronics	$ 190,201	$ 204,427
Transportation products	20,594	24,217
Residential products	58,523	49,902
Graphic arts	34,816	33,490
Total	$ 304,134	$ 312,036

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.32	—	—
1984	0.32	—	—
1983	0.24	—	—
1982	0.24	—	—
1981	0.24	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 102,599,000	$ 19.30
1984	96,939,000	18.33
1983	63,515,000	14.13
1982	56,916,000	12.84
1981	49,538,000	11.33

† Based on the average number of shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 304,134	$ 312,036
Cost of sales	227,465	228,378
Expenses	62,656	59,806
Interest expense	1,290	1,671
Income before taxes	$ 12,723	$ 22,181
Income taxes	5,976	10,931
Net Income	$ 6,747	$ 11,250

* Included in Costs and Expenses, Depreciation and Amortization: $4,146,000 in 1985 and $3,545,000 in 1984.

Bell Industries, Inc.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 6,516	$ 4,251
Short-term invest.	—	3,000
Accts. receiv., net	39,012	43,725
*Inventories	70,458	67,799
Prepaid expenses	735	547
Current Assets	$ 116,721	$ 119,322
#Fixed assets	22,454	19,552
Other assets	6,809	7,276
Total Assets	$ 145,984	$ 146,150

Liabilities
(000's)

	1985	1984
Accts. payable	$ 17,692	$ 22,145
Accruals	7,444	7,065
Dividends payable	425	423
Long-term liab., curr.	1,032	1,032
Income taxes	1,045	2,434
Curr. Liabilities	$ 27,638	$ 33,099
Notes, mortg., deben.	11,225	11,728
Deferred comp.	4,149	3,948
Deferred inc. taxes	373	436
+Common stock	1,329	1,322
Add. paid-in capital	29,456	28,854
Retained earnings	71,814	66,763
Total Liabilities & Shareholders' Equity	$ 145,984	$ 146,150

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	4.12	7.11
%Net Income to Sales	2.24	3.61
%Net Income to Equity	6.64	11.61
Sales to Inventories	4.32	4.60
Debt to Equity	0.01	0.01
Working Capital	$ 89,083,000	$86,223,000
Current Ratio	4.22	3.61
Shareholders' Equity	$102,599,000	$96,939,000

Bio-Rad Laboratories, Inc.

2200 Wright Avenue
Richmond, California 94804
(415) 234-4130

Officers: David Schwartz, president; James Bennett, v.p.-Diagnostics Group; Burton A. Zabin, v.p.-Research Products Group; Peter V. Leigh, controller; Gregory K. Hinckley v.p.-finance; Warren R. Howell, v.p.-Analytical Instruments Group; Guy Gerard, v.p.-European Operations; Norman Schwartz, treasurer.

Directors: James J. Bennett, Howard Foster, Albert J. Hillman, Philip L. Padou, Alice N. Schwartz, David Schwartz, Burton A. Zabin.

Areas of Work: Engaged in the development, manufacture and marketing of products used for the analysis of complex chemical mixtures into their individual components and to provide qualitative and quantitative information on each component. Products are used in a broad range of applications including research, manufacturing process and quality control and in the clinical and medical diagnosis of organic and metabolic disturbances in humans. The company also publishes spectral reference data used in research and industry.

Divisions and Subsidiaries:

Research Products Division
Richmond, California

Clinical Division
Richmond, California

Digilab Division
Cambridge, Massachusetts

Environmental Chemical Specialties Division
Anaheim, California

Sadtler Research Laboratories Division
Philadelphia, Pennsylvania

Ophthalmic Division
Cambridge, Massachusetts

Bio-Rad Laboratories, Ges.m.b.H.
Vienna, Austria

Bio-Rad Laboratories
Brussels, Belgium

Bio-Rad Laboratories (Canada) Ltd.
Mississauga, Canada

Bio-Rad Laboratories Ltd.
Polaron Equipment Limited
Watford, England

Bio-Rad Laboratories B.V.
Utrecht, The Netherlands

Bio-Rad Laboratories S.R.L.
Milan, Italy

Bio-Rad Laboratories AG
Zurich, Switzerland

Bio-Rad Laboratories GmbH
Munich, West Germany

Bio-Rad Laboratories Pty., Limited
Sydney, Australia

Elfiplast S.R.L.
Milan, Italy

Nippon Bio-Rad Laboratories (Japan) K.K.
Tokyo, Japan

Bio-Rad Pacific
Hong Kong

Orimbio S.A.
Paris, France

Transfer Agent(s):
Crocker National Bank
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): American

Ticker Symbol: Class A common stock: BIO A; Class B common stock: BIO B

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 102,329	$ 4,252
1984	84,638	1,800
1983	65,869	58
1982	53,190	1,162
1981	50,341	2,01

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,343,000	$ 0.98
1984	4,289,000	0.42
1983	4,266,000	0.01
1982	4,245,000	0.27
1981	4,302,000	0.47

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1985	1984
Research products	$ 43,785,000	$ 34,991,000
Diagnostic products	24,686,000	21,203,000
Analytical instrumentation	33,858,000	28,444,000
Total	$ 102,329,000	$ 84,638,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	50%	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 29,856,000	$ 6.87
1984	18,922,000	4.41
1983	17,068,000	4.00
1982	16,881,000	3.98
1981	15,397,000	3.58

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 102,329,000	$ 84,638,000
Cost of sales	47,542,000	40,777,000
Expenses	45,976,000	40,228,000
Interest expense	3,228,000	3,987,000
Invest. loss (inc.)	(224,000)	27,000
Gain on property condemn.	—	(3,401,000)
Litigation award	—	(2,604,000)
Gain on sale	—	(1,877,000)
Reserve for invest.	—	(4,188,000)
Settlement of ins. claim	(504,000)	—
Loss on disposal of eng. div.	242,000	—
Other expense	96,000	393,000
Income before taxes	$ 5,973,000	$ 2,920,000
Income taxes	1,721,000	1,120,000
Net Income	$ 4,252,000	$ 1,800,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,972,000 in 1985 and $2,002,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 6,007,000	$ 878,000
Accts. receiv., net	23,075,000	18,779,000
*Inventories	21,286,000	19,347,000
Other assets	3,500,000	10,082,000
Current Assets	$ 53,868,000	$ 49,086,000
#Fixed assets	13,785,000	11,763,000
Market securities	2,295,000	2,571,000
Other assets	1,579,000	2,994,000
Total Assets	$ 71,527,000	$ 66,414,000

Liabilities

	1985	1984
Notes payable & long-term debt. curr.	$ 8,612,000	$ 6,994,000
Accts. payable	5,409,000	4,620,000
Accrued inc. taxes	971,000	602,000
Other liabilities	8,887,000	7,204,000
Curr. Liabilities	$ 23,879,000	$ 19,420,000
Long-term debt	16,297,000	26,959,000
Deferred inc. taxes	1,495,000	1,113,000
+Common stock	4,754,000	4,300,000
Add. paid-in capital	9,118,000	3,091,000
Retained earnings	15,984,000	11,531,000
Total Liabilities & Shareholders' Equity	$ 71,527,000	$ 66,414,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	5.84	3.45
%Net Income to Sales	4.16	2.13
%Net Income to Equity	14.24	9.51

Sales to Inventories	4.81	4.37
Debt to Equity	0.55	1.79
Working Capital	$29,989,000	$29,666,000
Current Ratio	2.26	2.53
Shareholders' Equity	$29,856,000	$18,922,000

The Birtcher Corporation

4501 North Arden Drive
El Monte, California 91731
(818) 575-8144

Officers: Ernest V. Jarvis, chairman of the board; William J. Fisher, president & managing director; Philip R. A. Hardaker, v.p.-international sales; George W. Koenig, v.p.-finance, secretary & treasurer; Herbert Cover, v.p.-marketing & sales; Ali Abdelghani, tech. director-enginering; Ernest V. Jarvis, Jr., director-manufacturing operations.

Directors: Ernest V. Jarvis, chairman; William J. Fisher, Arthur C. Beall, Jr., Hymen P. Chalmers, Alfred C. Ingersoll, Hyrum T. Jarvis, John P. Preston, Francis J. Kelly, Jr., Arthur Wirth.

Areas of Work: Develops and manufactures medical electronic instruments and electronic hardware.

Subsidiaries:

General X-Ray Corporation
  Manufactures portable X-ray equipment.

Birtcher Overseas Corporation

Transfer Agent(s):

Bank of America
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIRT (NASDAQ)

Number of Employees:

1985	133	1984	157

Plant Footage:

1985 . . . . . . 63,000 sq. ft.

Sales and Earnings

	Revenues +	Net Income ‡
1985	$ 7,904,000	$ (3,718,941)
1984	10,270,000	3,413,980
1983	7,104,000	(761,523)
1982	6,643,000	(273,821)
1981	5,562,000	572,636

	No. of Com. Shares	Earn. per Share ‡#
1985	2,019,514	$ —
1984	2,049,853	1.65
1983	2,049,253	—
1982	2,056,187	—
1981	2,053,921	0.28

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $380,000 ($0.19 per share) in 1984.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,745,076	$ 1.36
1984	6,590,539	3.22
1983	3,173,747	1.55
1982	3,969,125	1.93
1981	4,203,990	2.05

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 3,492,597	$ 7,137,289
Cost of sales	4,012,306	4,597,752
Expenses	2,385,134	3,998,414
Interest expense	90,098	183,868
Loss on subsid.	924,000	—
Loss before taxes	$ (3,918,941)	$ (1,642,745)
Tax credit	(200,000)	(780,000)
Loss - cont. oper.	$ (3,718,941)	$ (862,745)
Inc. - discont. oper.	—	3,896,725
Net Income (Loss)	$ (3,718,941)	$ 3,033,980
Extraord. gain	—	380,000
Net Income (Loss) & extraord. gain	$ (3,718,941)	$ 3,413,980

* Included in Costs and Expenses, Depreciation and Amortization: $72,523 in 1985 and $137,917 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 312,817	$ 392,081
Marketable securities	2,411,197	3,745,917
Accts. receiv., net	1,222,329	1,228,687
Refundable inc. taxes	337,306	732,469
*Inventories	3,235,183	3,354,269
Prepaid expenses	66,930	131,108
Prepaid taxes	—	276,194
Current Assets	$ 7,585,762	$ 9,860,725
#Fixed assets	317,799	369,484
Other assets	—	39,433
Total Assets	$ 7,903,561	$ 10,269,642

Liabilities

Notes payable	$ 2,151,000	$ 300,000
Long-term debt, curr.	10,066	9,388
Loss on subsidiary	924,000	—
Accts. payable	1,375,936	1,101,136
Accrued payroll	289,454	319,720
Other liabilities	329,620	260,177
Inc. taxes payable	—	1,605,000
Curr. Liabilities	$ 5,080,076	$ 3,595,421
Long-term debt	78,409	83,682
+Capital stock	2,019,514	2,049,853
Add. paid-in capital	1,441,583	1,441,583
Retained earnings (deficit)	(716,021)	3,099,103
Total Liabilities & Shareholders' Equity	$ 7,903,561	$ 10,269,642

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Debt to Equity	0.82	0.06
%Net Income to Equity	—	46.04
Working Capital	$2,505,686	$6,265,304
Current Ratio	1.49	2.74
Shareholders' Equity	$2,745,076	$6,590,539

Bishop Graphics, Inc.

5388 Sterling Center Drive
P.O. Box 5007
Westlake Village, California 91359
(818) 991-2600

Officers: Martin J. Salvin, chairman of the board & president; Robert Meisterling, v.p.-marketing communications; Neil C. Shaw, v.p.-sales; Gordon L. Almquist, v.p.-finance & treasurer; Rubin M. Turner, secretary; Jean M. Smith, asst. secretary.

Directors: Martin J. Salvin, chairman; Morton Kay, David J. Cohen, Richard Drysdale, Lewis B. Merrifield, III.

Areas of Work: Manufactures and markets pressure-sensitive electronic component drafting aids and other precision-printed and/or specially-processed products and allied services for the various engineering and graphics disciplines. Also operates three retail outlets in California which sell drafting equipment.

Divisions and Subsidiaries:

Accupress
San Fernando, California
(213) 873-2655

Bishop DISC
Westlake Village, California

Bishop Graphics Drafting & Art Supply Centers
4040 Campus Drive
Newport Beach, California 92660

10645 Vanowen Street
Canoga Park, California

835 Stewart Drive
Sunnyvale, California 94086

Printed Circuit Design Products Division
Westlake Village, California
(818) 991-2600

CAD Systems Corp.
Westlake Village, California
(818) 991-2600
  A full computer-aided design service bureau.

BGI Leasing Company
Westlake Village, California
(818) 707-2502

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BGPH (NASDAQ)

Number of Employees:

1985	N.A.	1982	163
1984	170	1981	207
1983	175		

Plant Footage:

1985	N.A.	1982	96,700
1984	96,700 sq. ft.	1981	96,700
1983	96,700		

N.A. - Not Available.

Sales and Earnings

	Net Sales †	Net Income
1985	$ 13,400,000	$ 492,000
1984	14,668,000	1,072,000
1983	12,273,000	914,000
1982	11,020,000	189,000
1981	10,175,000	346,000

	No. of Com. Shares +	Earn. per Share +
1985	2,312,000	$ 0.21
1984	2,314,000	0.46
1983	2,224,000	0.41
1982	1,989,000	0.24
1981	2,128,000	0.22

† Of continuing operations only.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	—
1984	—	—	—
1983	—	10%	3-for-2
1982	—	—	—
1981	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 6,255,000	$ 2.71
1984	5,575,000	2.41
1983	4,119,000	1.85

+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Bishop Graphics, Inc.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 13,400,000	$ 14,668,000
Cost of sales	6,666,000	6,866,000
Expenses	6,023,000	5,935,000
Interest income	(33,000)	(6,000)
Income before taxes	$ 744,000	$ 1,873,000
Income taxes	252,000	801,000
Net Income	$ 492,000	$ 1,072,000

* Included in Costs and Expenses, Depreciation and Amortization: $394,000 in 1985 and $573,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 1,343,000	$ 802,000
Acct. receiv., net	1,463,000	1,738,000
Lease receiv., curr.	111,000	—
*Inventories	2,761,000	2,662,000
Prepaid inc. taxes	82,000	259,000
Prepaid expenses	405,000	256,000
Current Assets	$ 6,165,000	$ 5,717,000
#Fixed assets	1,965,000	1,847,000
Other assets	324,000	279,000
Total Assets	$ 8,454,000	$ 7,843,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 10,000	$ 9,000
Accts. payable	659,000	624,000
Accruals	67,000	79,000
Accrued payroll	263,000	217,000
Emp. benefit plan	55,000	72,000
Def. inc. taxes	404,000	463,000
Non-competition agree.	46,000	46,000
Curr. Liabilities	$ 1,504,000	$ 1,510,000
Long-term debt	557,000	566,000
Non-competition agree.	90,000	138,000
Deferred inc. taxes	48,000	54,000
+Common stock	15,000	14,000
Add. paid-in capital	4,054,000	2,577,000
Retained earnings	2,268,000	3,098,000
Notes receiv. from stock sale	(82,000)	(114,000)
Total Liabilities & Shareholders' Equity	$ 8,454,000	$ 7,843,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $.00666 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	5.55	12.77
%Net Income to Sales	3.67	7.31
%Net Income to Equity	7.87	19.23
Sales to Inventories	4.85	5.51
Debt to Equity	0.09	0.10
Working Capital	$4,661,000	$4,207,000
Current Ratio	4.10	3.79
Shareholders' Equity	$6,255,000	$5,575,000

BMC Industries, Inc.

(formerly Buckbee-Mears Company)

1100 American National Bank Building
St. Paul, Minnesota 55101
(612) 228-6310

Officers: Robert J. Carlson, chairman, president & chief exec. officer; Robert J. Bateman, v.p.; Carl A. Bergmann, v.p. & president-Optical Products; Gerald M. Bestler, v.p & president-Precision Etched Products; Merle D. Kerr, v.p.-finance, treasurer & chief financial officer; Kenneth W. Lewis, v.p.-human resources & administration; Michael P. Hawks, controller; Paul B. Burke, v.p., secretary & gen. counsel.

Directors: Robert J. Carlson, chairman; Carl B. Drake, Jr., Robert W. Fischer, Lyle D. Altman, Joe E. Davis, Donald J. Doughman, H.D. Elverum, Norman C. Mears, Burton N. Noah, S. Walter Richey, Charles S. Strauch, Richard A. Swalin.

Areas of Work: Manufactures and markets precision etched metal components, specialty circuits, electroformed parts, etched and filled glass products, and aperture masks--etched fine screen grids that are a component part of every color cathode ray tube; also manufactures and markets optical lenses.

Divisions and Subsidiaries:

PRECISION ETCHED PRODUCTS

Buckbee-Mears St. Paul
245 East Sixth Street
St. Paul, Minnesota 55101
(612) 228-6400

Buckbee-Mears Cortland
P.O. Box 189
Kellogg Road
Cortland, New York 13045
(607) 753-9615

Buckbee-Mears Europe GmbH
7840 Muellheim-Baden
Postfach 1162, Renkenrunsstrasse
West Germany

OPTICAL PRODUCTS

Buckbee-Mears Europe Optics
7840 Muellheim-Baden
Postfach 1162, Renkenrunsstrasse
West Germany

Vision-Ease Lens
3301 Southwest Ninth Avenue
Fort Lauderdale, Florida 33315
(305) 525-1351

Vision-Ease Lens
700 North 54th Avenue
St. Cloud, Minnesota 56301
(612) 251-8782

Transfer Agent(s):

First Trust Company, Inc.
First National Bank Building
St. Paul, Minnesota 55501

Bradford Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: BMC

Number of Employees:

1985	N.A.	1982	2,520
1984	4,789	1981	1,658
1983	3,158		

Plant Footage:

1985	N.A.	1982	1,057,000
1984	1,184,000 sq. ft.	1981	479,000
1983	1,192,000		

N.A. - Not Available.

Sales and Earnings ×

	Revenues +	Net Income †
1985	$ 100,369,000	$ (69,613,000)
1984	88,682,000	2,449,000
1983	81,584,000	7,987,000
1982	70,817,000	4,477,000
1981	65,580,000	3,237,000

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	5,179,000	$ —
1984	5,171,000	0.47
1983	4,697,000	1.70
1982	3,410,000	1.31
1981	3,161,000	1.02

× Restated to reflect change in accounting for inventory valuation.
+ Of continuing operations only.
† Including extraordinary gain of $2,620,000 ($0.51 per share) in 1985.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Precision etched prods.	$ 48,045	$ 42,299
Optical prods.	52,113	46,331
Other	211	52
Total	$ 100,369	$ 88,682

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.12	—	—
1984	0.46	—	—
1983	0.40	—	—
1982	0.39	—	—
1981	0.36	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1985	$ 9,438,000	$ 1.82
1984	78,455,000	15.15
1983	78,757,000	15.31
1982	54,538,000	12.60
1981	35,839,000	11.19

‡ Restated.

Income Account *
(000's)

Year ended Dec. 31	1985	1984 ‡
Net sales	$ 98,781	$ 87,726
Other income	1,588	956
Total income	$ 100,369	$ 88,682
Cost of sales	75,432	66,538
Expenses	11,955	11,238
Interest expense	11,716	7,521
Prov. for (reversal of) plant move	(1,524)	1,700
Other expenses (income)	926	(262)
Income before taxes	$ 1,864	$ 1,947
Income taxes	1,928	380
Inc. (loss)-cont. oper.	$ (64)	$ 1,567
Inc.(loss)-discont. oper.	(72,169)	882
Net Income (Loss)	$ (72,233)	$ 2,449
Extraordinary gain	2,620	—
Net Income (Loss) & extraord. gain	$ (69,613)	$ 2,449

* Included in Costs and Expenses, Depreciation: $3,017,000 in 1985 and $3,004,000 in 1984.
‡ Restated.

Assets
(000's)

As of Dec. 31	1985	1984 ‡
Cash & cash equiv.	$ 18,856	$ 2,620
Accts. receiv., net	14,364	13,607
*Inventories	26,446	20,895
Notes receiv. & other curr. assets	7,417	2,994
Assets of discont. oper.	7,127	61,284
Current Assets	$ 74,210	$ 101,400
#Fixed assets	20,272	18,606
Other assets	9,215	7,757
Assets of discont. oper.	29,539	60,278
Total Assets	$ 133,236	$ 188,041

Liabilities
(000's)

Short-term borr.	$ 240	$ 6,300
Long-term debt, curr.	100,253	132
Accts. payable	7,660	5,018
Accrued payroll	1,285	1,205
Accrued pension	1,084	1,067
Accrued interest	4,094	2,646
Income taxes pay.	1,959	1,348
Other accruals	4,507	3,799
Curr. Liabilities	$ 121,082	$ 21,515
Long-term debt	264	82,968
Other liabilities	1,711	2,996
Deferred credit	741	2,107
+Common stock	38,862	38,815
Retained earnings (deficit)	(28,731)	41,503
Translation adjust.	(693)	(1,863)
Total Liabilities & Shareholders' Equity	$ 133,236	$ 188,041

‡ Restated.
* At lower of average cost or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	—	3.12
Sales to Inventories	3.74	4.20
Debt to Equity	10.68	1.14
Working Capital	—	$79,885,000
Current Ratio	—	4.71
Shareholders' Equity	$9,438,000	$78,455,000

The Boeing Company

P.O. Box 3707
7755 East Marginal Way South
Seattle, Washington 98108
(206) 655-2121

Officers: T.A. Wilson, chairman of the board & chief executive officer; Frank Shrontz, president; M.T. Stamper, vice chairman; H.W. Haynes, exec. v.p. & chief financial officer; D.P. Beighle, v.p.-contracts, general counsel & secretary; L.D. Alford, K.F. Holtby, W.M. Maulden, R.W. Tharrington, sr. v.p.'s; R.B. Brown, D.J. Crispin, H.C. Munson, J.M. Swihart, R.E. Bateman, D.D. Cruze, S.M. Little, B. Mishel, v.p.'s; A.H. Lowell, v.p. & controller; J.B.L. Pierce, treasurer; R.L. Dryden, president-Boeing Computer Services Co.; A.M.S. Goo, president-Boeing Military Airplane Co.; H.K. Hebeler, president-Boeing Electronics Co.; J. Mallen, president-Boeing Vertol Co.; D.D. Thornton sr. v.p., president-Boeing Commercial Airplane Co.; M.K. Miller, president - Boeing Aerospace Co.; F.G. Coffey, J.H. Morrison, staff v.p.'s.

Directors: T.A. Wilson, chairman; H.W. Haynes, Charles M. Pigott, D.E. Skinner, M.T. Stamper, George H. Weyerhaeuser, Robert A. Beck, Lee L. Morgan, David Packard, Stanley Hiller, Jr., Irving S. Shapiro, George M. Keller, H.J. Haynes, Frank A. Shrontz.

Areas of Work: The company is involved in missile and space-oriented activities as well as the manufacture of military and commercial helicopters and aircraft, hydrofoil craft, products and services in the energy and environment areas, computer products and services, associated products.

Divisions and Subsidiaries:

Boeing Aerospace Company
Kent, Washington

Boeing Commercial Airplane Company
Renton, Washington

Boeing Vertol Company
Philadelphia, Pennsylvania

Boeing Military Airplane Company
Wichita, Kansas
Seattle, Washington

Boeing Computer Services Company
Bellevue, Washington

Boeing Electronics Company
Renton, Washington

Acquisition(s):

de Havilland Aircraft of Canada, Ltd.
Toronto, Ontario, Canada
Manufactures commuter aircraft.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s)*:

New York, London, Switzerland, Amsterdam, Boston, Cincinnati, Midwest, Pacific, Philadelphia, Brussels.

* Listed and/or traded.

Ticker Symbol: BA

Number of Employees:

1985	98,700	1982	95,700
1984	86,600	1981	105,300
1983	84,600		

Plant Footage: (Inc. leased and govt. owned floor area; in million square feet)

1985	N.A.	1982	44.7
1984	44.3	1981	45.4
1983	44.9		

N.A. - Not Available.

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 13,636,000	$ 566,000
1984	10,354,000	787,000
1983	11,129,000	355,000
1982	9,035,000	292,000
1981	9,788,200	473,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	155,188,657	$ 3.75
1984	145,655,832	5.39
1983	145,219,500	2.44
1982	144,802,500	2.02
1981	144,681,939	3.27

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Transportation equipment & related services	$ 11,997,000	$ 8,560,000
Missiles/space & miscellaneous	1,219,000	1,366,000
Other industries	529,000	516,000
Corp. income	184,000	153,000
Total	$ 13,929,000	$ 10,595,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$1.04	—	3-for-2
1984	0.93	—	—
1983	0.93	—	—
1982	0.93	—	—
1981	0.93	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1985	$ 4,364,000	$ 28.12
1984	3,695,000	25.37
1983	3,038,000	20.92
1982	2,813,000	19.43
1981	2,655,200	18.35

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 13,636,000	$ 10,354,000
Other income	293,000	241,000
Total income	$ 13,929,000	$ 10,595,000
Cost of sales & exp.	13,053,000	9,998,000
Interest & debt exp.	13,000	28,000
Income before taxes	$ 863,000	$ 569,000
Income taxes	297,000	179,000
Adjustment of tax provisions on disc. earnings	—	(397,000)
Net Income	$ 566,000	$ 787,000

* Included in Costs and Expenses. Depreciation: $386,000,000 in 1985 and $365,000,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cert. of deposit	$ 3,160,000	$ 1,067,000
Short-term investments	49,000	528,000
Accts. receiv., net	822,000	639,000
Long-term customer financing, curr.	63,000	138,000
Inventories	2,672,000	3,798,000
Current Assets	$ 6,766,000	$ 6,170,000
Long-term customer financing	514,000	541,000
#Fixed assets	1,866,000	1,671,000
Investments & other assets	100,000	103,000
Total Assets	$ 9,246,000	$ 8,485,000

Liabilities
(000's)

Long-term debt, curr.	$ 18,000	$ 15,000
Accts. payable & accruals	2,699,000	2,528,000
Advs. & prog. billings in exc. of costs	571,000	644,000
Income taxes	1,129,000	853,000
Curr. Liabilities	$ 4,417,000	$ 4,040,000
Long-term debt	16,000	284,000
Deferred invest. credit	123,000	144,000
Deferred inc. taxes	326,000	322,000
+Common stock	1,347,000	843,000
Retained earnings	3,018,000	2,854,000
Treasury stock	(1,000)	(2,000)
Total Liabilities & Shareholders' Equity	$ 9,246,000	$ 8,485,000

# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.33	5.50
%Net Income to Sales	4.15	7.60
%Net Income to Equity	12.97	21.30
Sales to Inventories	5.10	2.73
Debt to Equity	0.01	0.08
Working Capital	$2,349,000,000	$2,130,000,000
Current Ratio	1.53	1.53
Shareholders' Equity	$4,364,000,000	$3,695,000,000

Bolt Beranek and Newman Inc.

10 Fawcett Street
Cambridge, Massachusetts 02238
(617) 491-1850

Officers: Stephen R. Levy, chairman & chief executive officer; Michael P. LaVigna, president & chief operating officer; Michael Nacey, v.p.-administration; Edward R. Santoro, v.p.; Bruce D. Glabe, sr. v.p. & chief financial officer; Ralph Goldwasser, controller; W.B. Barker, sr. v.p.; John Montjoy, gen. counsel & clerk; Daniel Sullivan, asst. v.p.

Directors: Samuel Labate, Stephen R. Levy, Roger D. Wellington, Andrew L. Nichols, Michael P. LaVigna, Howard Swearer.

Areas of Work: Hardware, software, and consulting services for wide area data communications networks; research, development, and consulting in computer and physical sciences; packaged software for laboratory research and quality control.

Subsidiaries:

BBN Laboratories, Inc.
10 Moulton Street
Cambridge, Massachusetts 02238

BBN Communications Corporation
70 Fawcett Street
Cambridge, Massachusetts 02238
(617) 497-2800

BBN Software Products Corporation
10 Fawcett Street
Cambridge, Massachusetts 02238
(617) 864-1780

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: BBN

Number of Employees:

1985	1,796	1982	1,251
1984	1,530	1981	1,295
1983	1,322		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 138,220,000	$ 8,451,000
1984	106,350,000	5,929,000
1983	85,424,000	3,292,000
1982	69,217,500	1,579,800
1981	55,072,600	939,600

	No. of Com. Shares +	Earn. per Share +
1985	8,335,714	$ 1.01
1984	7,767,788	0.76
1983	6,993,406	0.47
1982	6,479,766	0.24
1981	6,441,908	0.15

‡ Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Research, develop. & consulting	$ 55,267,000	$ 52,908,000
Computer & communications prods.	82,953,000	53,442,000
Total	$ 138,220,000	$ 106,350,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.10	—	—
1984	0.10	—	2-for-1
1983	0.097	—	3-for-2
1982	0.093	—	—
1981	0.091	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 62,446,000	$ 7.49
1984	50,971,000	6.56
1983	26,701,000	3.82
1982	23,176,600	3.58
1981	22,187,400	3.44

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 138,220,000	$ 106,350,000
Operating costs & expenses	124,379,000	96,773,000
Interest expense	673,000	596,000
Interest income	(1,622,000)	(1,035,000)
Other income	(8,000)	(113,000)
Income before taxes	$ 14,798,000	$ 10,129,000
Income taxes	6,347,000	4,200,000
Net Income	$ 8,451,000	$ 5,929,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,916,000 in 1985 and $5,173,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 1,097,000	$ 831,000
Short-term investments	19,079,000	20,584,000
Accts. receiv., net	33,722,000	22,640,000
Other curr. assets	2,277,000	2,405,000
*Inventories	8,662,000	7,286,000
Refundable inc. taxes	529,000	—
Current Assets	$ 65,366,000	$ 53,746,000
#Fixed assets	30,193,000	20,583,000
Total Assets	$ 95,559,000	$ 74,329,000

Liabilities

	1985	1984
Accts. payable	$ 4,789,000	$ 2,327,000
Oblig. under cap. leases	1,514,000	1,107,000
Inc. taxes payable	—	730,000
Accrued salaries	2,128,000	2,298,000
Other accruals	4,870,000	3,671,000
Deferred revenues	2,246,000	1,037,000
Deferred taxes	10,952,000	8,280,000
Curr. Liabilities	$ 26,499,000	$ 19,450,000
Long-term debt	688,000	843,000
Deferred inc. taxes	2,513,000	1,252,000
Oblig. under cap. leases	3,413,000	1,813,000
+Common stock	7,809,000	7,467,000
Add. paid-in capital	22,063,000	18,604,000
Retained earnings	32,574,000	24,900,000
Total Liabilities & Shareholders' Equity	$ 95,559,000	$ 74,329,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	10.71	9.52
%Net Income to Sales	6.11	5.57
%Net Income to Equity	13.53	11.63
Sales to Inventories	15.96	14.60
Debt to Equity	0.09	0.07
Working Capital	$38,867,000	$34,296,000
Current Ratio	2.47	2.76
Shareholders' Equity	$62,446,000	$50,971,000

Boonton Electronics Corporation

791 Route 10
Randolph, New Jersey 07869
(201) 584-1077

Officers: Robert J. Hannon, president & chief executive officer; Scott Elkins, v.p.-marketing; G. Raymond Polen, v.p.-engineering; Joseph G. Gillespie, secretary, treasurer & v.p.-finance.

Directors: Jack Frucht, Ronald T. DeBlis, Robert J. Hannon, John M. Young, Otto H. York.

Areas of Work: Designs and manufactures electronic measuring instruments for use in the laboratory and on production lines of manufacturers of electronic components and equipment. These instruments include RF voltmeters, microwave power meters, signal generators, modulation meters, admittance bridges, and capacitance and inductance meters and bridges.

Subsidiary:

Boonton Domestic International Sales Corporation (DISC)
Randolph, New Jersey

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, NY 10038

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOON (NASDAQ)

Number of Employees:

1985	148	1983	161
1984	164	1982	160

Plant Footage:

1985	44,400 sq. ft.	1983	44,400
1984	44,400	1982	39,500

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 10,182,620	$ 296,740
1984	10,766,638	707,757
1983	11,300,933	962,588
1982	10,040,220	661,515
1981	8,367,189	237,053

	No. of Com. Shares †	Earn. per Share +
1985	1,388,831	$ 0.21
1984	1,261,420	0.51
1983	1,224,214	0.69
1982	1,171,715	0.56
1981	1,047,429	0.23

‡ Includes other income.
+ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.
† Adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	10%	—
1984	—	—	—
1983	—	—	3-for-2
1982	—	10%	—
1981	.0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 6,997,759	$ 5.04
1984	6,691,452	5.30
1983	5,970,679	4.88
1982	4,938,265	4.21
1981	4,242,909	4.05

# Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 10,182,620	$ 10,766,638
Cost of sales	5,089,229	5,283,334
Expenses	4,551,467	4,065,501
Oper. profit	$ 541,924	$ 1,417,803
Other charges	254,251	240,834
Other income	(10,963)	(5,429)
Income before taxes	$ 298,636	$ 1,182,398
Income taxes	87,132	474,641
Net Income	$ 211,504	$ 707,757

* Included in Costs and Expenses, Depreciation: $359,598,000 in 1984 and $333,381 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 156,181	$ 255,260
Accts. receiv., net	1,770,601	2,092,894
Other receiv.	—	456
*Inventories	3,668,536	3,431,850
Prepaid expenses	324,362	218,757
Accounts payable - debit balances	—	2,710
Current Assets	$ 5,919,680	$ 6,001,927
#Fixed assets	3,450,477	3,612,836
Other assets	207,770	207,299
Total Assets	$ 9,577,927	$ 9,822,062

Liabilities

Bank loans	$ —	$ 500,000
Notes payable	200,000	325,000
Accts. payable	356,565	220,528
Accruals	414,659	313,899
Accts. receiv.- credit balances	—	9,117
Curr. Liabilities	$ 971,224	$ 1,368,544
Long-term debt	1,608,944	1,762,066
+ Common stock	147,948	133,805
Add. paid-in capital	4,308,054	3,404,543
Retained earnings	2,541,757	3,153,104
Total Liabilities & Shareholders' Equity	$ 9,577,927	$ 9,822,062

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.93	10.98
%Net Income to Sales	2.08	6.57
%Net Income to Equity	3.02	10.58
Sales to Inventories	2.78	3.14
Debt to Equity	0.26	0.39
Working Capital	$4,948,456	$4,548,933
Current Ratio	6.10	4.32
Shareholders' Equity	$6,997,759	$6,691,452

Boston Digital Corporation

Granite Park
Milford, Massachusetts 01757
(617) 473-4561

Officers: Thomas D. Linn, president; Ara Aykanian, executive v.p. & treasurer; Simon Queen, clerk; Stanley Leven, asst. clerk; Richard H. Dietz, v.p.-marketing; Robert M. Engler, v.p.-manufacturing; Ernest H. Johnston, v.p.-engineering; William F. Staples, asst. treasurer & controller.

Directors: Ara Aykanian, H. Joseph Gerber, Thomas D. Linn, Stanley Leven, David J. Logan, Simon Queen.

Areas of Work: Develops, manufactures and markets computer numerically controlled precision machining systems.

Subsidiaries:

BostoMatic International Corporation (DISC)
Hopkinton, Massachusetts

BostoMatic GmbH
Essingen, West Germany

BostoMatic U.K., Ltd.
England

BostoMatic Foreign Sales Corporation (FSC)
U.S. Virgin Islands

Boston Digital Investment Corporation
Securities investment.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOST (NASDAQ)

Number of Employees:

1985	N.A.	1982	N.A.
1984	N.A.	1981	200
1983	160		

Plant Footage:

1985	N.A.	1982	N.A.
1984	80,000 sq. ft.	1981	55,000
1983	80,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 15,772,783	$ 343,000
1984	18,289,000	1,111,000
1983	15,703,000	711,000
1982	21,399,000	1,598,000
1981	20,981,709	1,875,898

	No. of Com. Shares #	Earn. per Share #
1985	2,736,937	$ 0.13
1984	2,752,350	0.40
1983	2,733,457	0.26
1982	2,744,474	0.58
1981	2,810,654	0.67

# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 13,482,475	$ 4.93
1984	13,139,075	4.77
1983	12,017,797	4.40
1982	11,306,576	4.12
1981	9,662,681	3.44

# Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1985	1984
Net sales	$ 15,772,783	$ 18,289,411
Cost of sales	12,119;721	13,373,171
Expenses	3,613,742	3,177,335
Oper. profit	$ 39,320	$ 1,738,905
Interest expense	367,933	133,359
Interest income	(480,013)	(423,415)
Loss on sale	—	10,883
Income before taxes	$ 151,400	$ 2,018,078
Income taxes (credit)	(192,000)	907,000
Net Income	$ 343,400	$ 1,111,078

* Included in Costs and Expenses, Depreciation and Amortization: $538,610 in 1985 and $401,490 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 196,502	$ 156,577
Short-term invest.	4,872,349	4,199,631
Income taxes refundable	352,000	211,000
Accts. receiv., net	2,151,249	4,111,193
*Inventories	6,534,987	5,210,798
Prepaid expenses	119,556	63,904
Deferred inc. taxes	155,100	91,000
Current Assets	$ 14,381,743	$ 14,044,103
#Fixed assets	3,900,428	4,136,084
Other assets	174,463	209,771
Total Assets	$ 18,456,634	$ 18,389,958

Liabilities

Accts. payable	$ 652,577	$ 670,773
Accrued payroll	274,430	253,767
Long-term debt, curr.	122,500	105,000
Accruals	351,982	351,343
Cust. deposits	17,070	—
Curr. Liabilities	$ 1,418,559	$ 1,380,883
Oblig. under cap. leases	3,247,500	3,370,000
Deferred inc. taxes	308,100	500,000
+ Common stock	263,127	263,127
Add. paid-in capital	4,368,079	4,368,079
Retained earnings	8,851,269	8,507,869
Total Liabilities & Shareholders' Equity	$ 18,456,634	$ 18,389,958

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.96	11.03
%Net Income to Sales	2.18	6.07
%Net Income to Equity	2.55	8.46
Sales to Inventories	2.41	3.51
Debt to Equity	0.25	0.26
Working Capital	$12,963,184	$12,663,220
Current Ratio	10.14	10.17
Shareholders' Equity	$13,482,475	$13,139,075

Bowmar Instrument Corporation

531 Main Street
Acton, Massachusetts 01720
(617) 263-8365

Officers: Edward A. White, chairman & chief executive officer; Charles S. Krakauer, president & chief operating officer; John C. Maag, treasurer & secretary.

Directors: Edward A. White*, chairman, James C. Marlas*, J. Davidge Warfield, Harry Rex Land, Jr., Fred N. Gerard*, Dan L. McGurk, Charles S. Krakauer, J. Sidney Webb*.

* Member of the Executive Committee.

Areas of Work: Manufactures data communications products, including multifunction generators and data acquisition equipment. Also manufactures electronic communications test equipment, electromechanical digital displays, keyboards and thermal printers for use in industrial instrumentation applications, and electromechanical components and packages, including rotating devices (gearheads, motors and motor generators), synchros, mechanical counters, resolvers, dial drives, mechanical packages, ordnance devices and build-to-print military subcontracts.

Divisions:

Bowmar Aerospace Division
8000 Bluffton Road
Fort Wayne, Indiana 46809
(219) 747-3121

Bowmar Instrument Corporation

Bowmar Commercial Products Division
4640 126th Avenue, North
Clearwater, Florida 33520
(813) 576-2525

Subsidiaries:

Bowmar/ALI, Inc.
531 Main Street
Acton, Massachusetts 01720
(617) 263-8365

Harowe Servo Controls, Inc.
Westtown Road at West Chester Pike
West Chester, Pennsylvania 19380
(215) 692-2700

Bowmar Instrument Limited
43/45 High Street
(932) 51341 Weybridge, Surrey, KT 138 BB England

St. Kitts Enterprises Co. Ltd.
P.O. box 392
Sandy Point, St. Kitts, West Indies
(809) 465-6227

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: BOM

Number of Employees:

1985	888	1982	1,069
1984	926	1981	1,160
1983	908		

Plant Footage:

1985	220,000 sq. ft.	1982	N.A.
1984	220,000	1981	298,000
1983	228,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 42,617,000	$ 1,417,000
1984	38,100,000	757,000
1983	39,321,000	(2,085,000)
1982	42,168,000	(174,000)
1981	42,698,000	583,000

	No. of Com. Shares #	Earn. per Share #
1985	4,629,633	$ 0.31
1984	4,578,135	0.17
1983	4,539,150	—
1982	4,447,326	—
1981	5,628,517	0.10

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Electronics	$13,534	32%	$ 9,765	26%
Electromechanical	29,083	68	28,335	74
Total	$42,617	100%	$38,100	100%

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 7,658,000	$ 1.65
1984	5,053,000	1.10
1983	3,831,000	0.85
1982	6,791,000	1.52
1981	7,246,000	1.65

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 42,617	$ 38,100
Cost of sales	29,910	27,636
Expenses	8,587	7,914
Interest income	(126)	(156)
Interest expense	1,501	1,493
Other income	(132)	(81)
Prov. for litigation	168	—
Income before taxes	$ 2,709	$ 1,294
Income taxes	1,292	537
Net Income	$ 1,417	$ 757

* Included in Costs and Expenses, Depreciation and Amortization: $875,000 in 1985 and $778,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 1,701	$ 1,509
Receiv., net	7,808	7,701
*Inventories	9,429	8,163
Prepaid expenses	239	181
Current Assets	$ 19,177	$ 17,554
#Fixed Assets	4,580	4,322
Other assets	651	623
Total Assets	$ 24,408	$ 22,499

Liabilities
(000's)

Long-term debt, curr.	$ 74	$ 43
Accts. payable	2,870	2,691
Accruals	2,631	3,665
Curr. Liabilities	$ 5,575	$ 6,399
Long-term debt	175	47
Convert. subord. deben.	11,000	11,000
+Common stock	471	471
Add. paid-in capital	3,587	2,460
Retained earnings	3,688	2,271
Treasury stock	(8)	(12)
Foreign currency adjustments	(80)	(137)
Total Liabilities & Shareholders' Equity	$ 24,408	$ 22,499

* At lower of cost (principally moving average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 stated value.

Statistical Summary

%Income bef. Taxes to Sales	6.36	3.40
%Net Income to Sales	3.32	1.99
%Net Income to Equity	18.50	14.98
Sales to Inventories	4.52	4.67
Debt to Equity	0.03	0.02
Working Capital	$13,602,000	$11,155,000
Current Ratio	3.44	2.74
Shareholders' Equity	$ 7,658,000	$ 5,053,000

BR Communications

1249 Innsbruck Drive
Sunnyvale, California 94089
(408) 734-1600

Officers: Robert B. Fenwick, chairman of the board; Gordon W. Breland, president & chief exec. officer; Harvey Schloss, v.p., chief financial officer & secretary; J. Roger Flanagan, John F. McLaughlin, Roy A. Sasselli, v.p.'s.

Directors: Robert B. Fenwick, chairman; William E. Ayer, John W. Ballard, John M. Bolger, Gordon W. Breland, Kenneth P. Miles.

Areas of Work: Develops, manufactures and markets high-frequency (HF) communications frequency management systems, time diversity modems, and other specialized HF equipment for high reliability military and diplomatic applications.

Divisions and Subsidiaries:

BR Communications Foreign Sales Corporation

Transfer Agent(s):

Bank of America, NT&SA
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BRHF (NASDAQ)

Number of Employees:

1985	155

Plant Footage:

1985	42,000 sq. ft.

Sales and Earnings

	Revenues	Net Income
1985	$ 13,300,639	$ 1,041,195
1984	19,010,123	3,944,136
1983	19,870,290	4,097,737
1982	14,331,145	2,562,461
1981	8,176,777	1,406,294

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,208,956	$ 0.25
1984	4,257,274	0.93
1983	4,067,283	1.01
1982	3,336,515	0.77
1981	3,157,935	0.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.03	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 27,959,677	$ 6.64
1984	26,538,048	6.23
1983	22,830,665	5.61
1982	5,881,528	1.76
1981	3,181,830	1.01

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 13,300,639	$ 19,010,123
Cost of revenues	6,748,891	7,499,138
Expenses	6,377,327	6,444,398
Interest income	(1,042,574)	(1,380,049)
Income before taxes	$ 1,216,995	$ 6,446,636
Income taxes	175,800	2,502,500
Net Income	$ 1,041,195	$ 3,944,136

* Included in Costs and Expenses, Depreciation and Amortization: $871,443 in 1985 and $742,863 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 3,507,985	$ 4,384,965
Short-term invest.	8,898,327	8,707,624
Accts. receiv., net	5,188,215	4,709,388

*Inventories	6,378,197	5,617,100
Prepaid expenses	287,315	258,533
Prepaid income taxes	140,181	—
Current Assets	$ 24,400,220	$ 23,677,610
Marketable eq. secur.	3,511,500	3,972,125
#Fixed assets	1,869,956	2,225,005
Other assets	344,635	471,584
Total Assets	$ 30,126,311	$ 30,346,324

Liabilities

Accts. payable	$ 422,861	$ 861,642
Accrued payroll	489,530	892,551
Other accruals	174,637	307,889
Income taxes	35,444	836,794
Curr. Liabilities	$ 1,122,472	$ 2,898,876
Deferred inc. taxes	1,044,162	909,400
+Common stock	13,674,527	13,510,842
Retained earnings	14,458,650	13,417,455
Valuation allow. for secur.	(173,500)	(390,249)
Total Liabilities & Shareholders' Equity	$ 30,126,311	$ 30,346,324

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Inc. bef. Taxes to Sales	9.15	33.91
%Net Income to Sales	7.83	20.75
%Net Income to Equity	3.72	14.86
Sales to Inventories	2.09	3.38
Working Capital	$23,277,748	$20,778,734
Current Ratio	21.74	8.17
Shareholders' Equity	$27,959,677	$26,538,048

Buck Engineering Co., Inc.

P.O. Box G86
Farmingdale, New Jersey 07727
(201) 938-2000

Officers: David T. Buck, chairman of the board emeritus; Peter M. Schluter, president & chief executive officer; Charles H. Bond, v.p.-finance & secretary; Christian T. Koerner, treasurer; Shirley L. Barrett, asst. secretary.

Directors: Raymond A. Bowers, David T. Buck, Peter M. Schluter, H. Daniel Harris, Garrett B. Hunter, E.A. Savinelli, Charles H. Bond, Kenneth D. Roberts.

Areas of Work: Primarily manufactures and markets educational equipment and knowledge transfer systems used in teaching electronics, mechanical and electric power technology in industrial training facilities and vocational, technical and multi-level schools and colleges. Also designs, manufactures and markets engine analysis equipment for the transportation and related energy industries.

Divisions and Subsidiaries:

Lab-Volt Systems
P.O. Box 686
Farmingdale, New Jersey 07727
(201) 938-2000

Lab-Volt Limited
5368 Thirteenth Avenue
P.O. Box 279-Rosemont Station
Montreal, Quebec, Canada H1X 2XB
(514) 725-9552

Lab-Volt (Quebec) Limited
2120 Lavoisier Street
Ste. Foy, Quebec, Canada G1N 4B1
(418) 681-6346

Go-Power Corporation
1890 Embarcadero Road
Palo Alto, California 94303
(415) 328-7676

Graymark International, Inc.
Santa Ana, California

Electronics Institute
5605 Troost Avenue
Kansas City, Missouri 64110
(816) 361-5656

Technical Systems, Inc.
Minneapolis, Minnesota

Quintech Division
Belleville, Ontario, Canada

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUCK (NASDAQ)

Number of Employees:

1985	378	1982	324
1984	340	1981	280
1983	326		

Sales and Earnings

	Net Sales	Net Income
1985	$ 27,332,641	$ 883,636
1984	22,993,835	844,425
1983	21,612,063	748,256
1982	21,275,680	643,749
1981	16,380,994	495,138

	No. of Com. Shares #	Earn. per Share #
1985	496,023	$ 1.78
1984	519,411	1.63
1983	593,590	1.26
1982	615,481	1.05
1981	696,798	0.71

Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 6,275,855	$ 12.65
1984	5,485,798	10.56
1983	5,725,332	9.65
1982	5,028,619	8.62
1981	5,276,755	7.61

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 27,332,641	$ 22,993,835
Cost of sales	14,952,107	12,434,464
Expenses	10,257,493	8,586,740
Other expense	69,627	18,076
Interest expense	511,121	478,453
Write-down of cost	113,657	75,677
Income before taxes	$ 1,428,636	$ 1,400,425
Income taxes	545,000	556,000
Net Income	$ 883,636	$ 844,425

* Included in Costs and Expenses, Depreciation and Amortization: $336,543 in 1985 and $264.112 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & invest.	$ 1,308,109	$ 246,994
Accts. receiv., net	8,566,621	5,990,549
*Inventories	6,765,468	4,990,906
Prepaid expenses	567,112	177,406
Current Assets	$ 17,207,310	$ 11,405,855
#Fixed assets	2,025,935	2,017,112
Other assets	1,102,700	1,212,774
Total Assets	$ 20,335,945	$ 14,635,741

Liabilities

Short-term borrowing	$ 2,200,000	$ 889,400
Long-term debt, curr.	711,633	405,384
Accts. payable & accruals	7,434,923	3,558,362
Accrued inc. taxes	336,247	267,747
Curr. Liabilities	$ 10,682,803	$ 5,120,893
Long-term debt	2,607,987	3,647,268
Advance payment	424,825	—
Other oblig.	—	100,580
Deferred inc. taxes	344,475	281,202
+Common stock	584,040	584,040
Add. paid-in capital	450,555	450,555
Retained earnings	6,476,641	5,593,005
Foreign curr. trans.	(254,323)	(160,744)
Treasury stock	(981,058)	(981,058)
Total Liabilities & Shareholders' Equity	$ 20,335,945	$ 14,635,741

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.23	6.09
%Net Income to Sales	3.23	3.67
%Net Income to Equity	14.08	15.39
Sales to Inventories	4.04	4.61
Debt to Equity	0.53	0.74
Working Capital	$8,962,093	$6,284,962
Current Ratio	1.61	2.23
Shareholders' Equity	6,275,855	$5,485,798

Bulova Watch Company, Inc.

(95% owned by Loews Corporation)

Bulova Park
75-20 Astoria Boulevard
Jackson Heights, New York 11370
(718) 565-4200

Officers: Harry B. Henshel, chairman of the board; Andrew H. Tisch, president; Herbert C. Hoffman, chief operating officer; Lawrence F. Codraro, v.p., secretary & general counsel; Jerry Josephson, v.p.-Western operations; James S. Waterwash, v.p.; Paul S. Sayegh, executive v.p.; Thomas P. Hickerson, controller.

Directors: Harry B. Henshel, Herbert C. Hofmann, Andrew H. Tisch, Laurence A. Tisch, Preston R. Tisch.

Areas of Work: Manufactures and sells throughout the world, watches and clocks for consumer use, and sells power cells and watch parts to the trade. Also sells nonconsumer products for defense and industrial use, including timing and similar devices.

Divisions:

Consumer Products-Domestic
Technical Sales & Services
Consumer Products-International

Industrial/Defense Divisions:
Systems and Instruments
Providence Division

Subsidiaries:

American Watch Case Corporation
Atlantic Time Products Corporation
Bulova Watch Company Limited
Bulova Watch, S.p.A.
Bulova France, S.A.
Bulova Systems & Instruments Corporation

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Bulova Watch Company, Inc.

Ticker Symbol: BVA

Number of Employees:

1985 1,650

Sales and Earnings

	Net Sales	Net Income †
1985	$ 147,819,000	$ 16,649,000
1984	147,870,000	7,238,000
1983	151,786,000	(13,345,000)
1982	149,211,000	(10,550,000)
1981	176,814,000	(3,677,000)

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	4,599,000	$ 4.27
1984	4,599,000	1.57
1983	4,586,000	—
1982	4,402,000	—
1981	4,029,000	—

(Loss)

‡ Based on the weighted average number of shares outstanding.

† Including extraordinary gains of $1,756,000 ($0.38 per share) in 1985 and $3,095,000 ($0.67 per share) in 1984.

Revenues By Line of Business

	1985	1984
Consumer	$ 92,662,000	$ 96,929,000
Industrial & defense	54,229,000	49,562,000
Corporate	928,000	1,379,000
Total	$ 147,819,000	$ 147,870,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 52,550,000	$ 11.43
1984	33,133,000	7.20
1983	26,692,000	5.82
1982	35,478,000	8.06
1981	39,623,000	9.83

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 147,819	$ 147,870
Cost of sales	103,774	100,842
Expenses	33,791	35,455
Interest expense	1,868	2,531
Interest to affiliates	1,258	1,771
Loss (gain) from asset disposition	(23,556)	363
Inc. bef. taxes	$ 30,684	$ 6,908
Income tax	12,791	2,765
Net Income	$ 17,893	$ 4,143
Extraord. gain	1,756	3,095
Net Income & extraord. gain	$ 19,649	$ 7,238

* Included in Costs and Expenses, Depreciation: $926,000 in 1985 and $1,186,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 3,874	$ 4,622
Receivables, net	73,031	44,310
*Inventories	36,781	40,214
Prepaid expenses	676	812
Current Assets	$ 114,362	$ 89,958
#Fixed assets	3,990	4,835
Other assets	185	177
Total Assets	$ 118,537	$ 94,970

Liabilities
(000's)

Notes payable	$ 2,666	$ 2,308
Long-term debt, curr.	2,300	2,296
Accts. payable	7,112	9,093
Accruals	9,302	9,992
Accrued payroll	3,014	2,706
Contract progress collections	997	604
Income taxes	8,388	118
Curr. Liabilities	$ 33,779	$ 27,117
Long-term debt:		
9¼% Serial notes	7,026	9,311
6% Conv. subord. deb.	8,534	8,645
Mortg. payable	1,018	2,356
Other liabilities	1,630	1,408
Debt to affiliate	14,000	13,000
+ Common stock	22,998	22,998
Add. paid-in capital	23,046	23,045
Retained earnings (deficit)	9,112	(10,537)
Cum. trans. adjust.	(2,601)	(2,368)
Treasury stock	(5)	(5)
Total Liabilities & Shareholders' Equity	$ 118,537	$ 94,970

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.76	4.67
%Net Income to Sales	13.29	2.80
%Net Income to Equity	37.39	12.50
Sales to Inventories	4.02	3.68
Debt to Equity	0.39	0.01
Working Capital	$80,583,000	$62,841,000
Current Ratio	3.39	3.32
Shareholders' Equity	$52,550,000	$33,133,000

Bunting, Inc.

46 Beatrice Street
P.O. Box 4114
Bridgeport, Connecticut 06607
(203) 384-0081

Officers: Lee Bunting, chairman of the board & chief exec. officer; Richard E. Bunting, president; John D. Larounis, v.p.-marketing; Gladys Brownrigg, asst. treasurer; Dorothy DeFerrari, secretary.

Directors: Lee Bunting, chairman; Richard E. Bunting, Brose Bunting, James T. Ragan, Joseph V. Quarles.

Areas of Work: Engaged in the assembling and marketing, through distributors and direct sales personnel, of various audio, visual and electronic communications systems and television viewing systems for use in hospitals, hotels and motels. A subsidiary, Midwest International, Inc., assembles and places coin-operated television chairs in mass transportation terminals.

Subsidiary:

Midwest International, Inc.
650 Wilmington Avenue
Salt Lake City, Utah 84106

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985 131

Plant Footage:

1985 . . . . . . 17,093 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 8,794,197	$ 432,010
1984	7,541,642	420,265
1983	6,799,877	277,196
1982	6,856,340	174,346
1981	4,879,115	196,261

	No. of Com. Shares †	Earn. per Share †
1985	2,133,651	$ 0.20
1984	2,187,261	0.19
1983	2,282,451	0.12
1982	2,291,475	0.08
1981	2,234,179	0.09

† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	3-for-2
1984	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 4,411,321	$ 2.07
1984	3,970,646	1.82
1983	3,724,558	1.63
1982	3,454,612	1.51
1981	3,280,302	1.47

† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 8,794,197	$ 7,541,642
Other income	2,205,090	2,408,505
Total Income	$ 10,999,287	$ 9,950,147
Cost of sales	6,893,973	6,097,044
Expenses	3,354,247	3,178,713
Interest expense	16,674	61,873
Income before taxes	$ 734,393	$ 612,517
Income taxes	302,383	192,252
Net Income	$ 432,010	$ 420,265

* Included in Cost and Expenses, Depreciation and Amortization: $411,044 in 1985 and $388,366 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & invest.	$ 788,002	$ 285,904
Accts. receiv., net	1,582,826	1,503,708
*Inventories	3,238,253	3,689,507
Prepaid expenses	114,700	473,969
Current Assets	$ 5,723,781	$ 5,953,088
Installment accts. receiv.	241,877	127,241
#Fixed assets	763,034	918,907
Other assets	28,896	299,417
Equip. leased to others	325,523	381,948
Total Assets	$ 7,083,111	$ 7,680,601

Liabilities

Long-term debt, curr.	$ 19,578	$ 42,585
Accrued customs fees	—	199,500
Accts. payable	941,562	1,148,207
Accrued commissions	272,215	258,095
Income taxes	12,035	9,812
Deferred inc. taxes	746,840	—
Billings in excess of costs	544,158	1,067,517
Curr. Liabilities	$ 2,536,388	$ 2,725,716
Long-term debt	15,467	7,339
Cap. lease oblig.	—	13,040
Deferred income	—	348,950
Deferred inc. taxes	119,935	614,910
+ Common stock	22,956	13,892
Add. paid-in capital	2,359,523	1,906,578
Retained earnings	2,210,733	2,232,067
Treasury stock	(181,891)	(181,891)
Total Liabilities & Shareholders' Equity	$ 7,083,111	$ 7,680,601

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Total Income	6.68	6.16
%Net Income to Total Income	3.93	4.22
%Net Income to Equity	9.79	10.58
Sales to Inventories	0.01	0.02
Working Capital	$3,187,393	$3,227,372
Current Ratio	2.26	2.18
Shareholders' Equity	$4,411,321	$3,970,646

Burndy Corporation

Richards Avenue
Norwalk, Connecticut 06856
(203) 838-4444

Officers: David Dibner, chairman of the board; Theodore York, president; Stanley J. Aris, v.p. & chief financial officer; Ernest Fanwick, v.p., secretary & general counsel; Donald F. Keating, v.p.-human resources; Ramon V. Nicholl, v.p.-management systems and services; Alan H. Peltz, treasurer; Frederick H. McLenaghan, Thomas H. Pluff, William M. Nuckols, v.p.'s & gen. mgr.'s; Alan M. Peltz, controller.

Directors: David Dibner, chairman; George M. Szabad, Carlyle F. Barnes, John P. Horgan, Paul Kolton, J.E. Goldman, Richard C. Farley, Billy C. Christensen, Theodore C. York, Gorden F. McClure, Bern Dibner.

Areas of Work: The Company designs, manufactures and sells electrical and electronic connectors and related products. Products range from microminiature components for use in sophisticated electronic equipment to very large electrical connectors used by utilities in the generation, transmission and distribution of electric power. Most sales are made to original equipment manufacturers.

Subsidiaries:

Burndy Electra N.V.
Antvon Spinoystraat, 8
Mechelen, Belgium

Burndy Services Limited
St. Albans, England

Burndy do Brasil Conetores Ltda.
Estrada do Guarapirange, 2,400
Caixa Postal 30806
Sao Paulo 1, Brazil

Burndy Mexico, S.A. de C.V.
Calle del Rio No. 12
Naucalpan de Juarez
Estado de Mexico

Burndy-Japan Ltd. (affiliate)
9th Floor, T.O.C. Bldg.
22-17, 7-chome Nishigotanda
Sinagawa-Ku, Tokyo-141
Japan

Burndy Electra SpA
Stada del Francese 137
C.P. 130 Ferrovia
10100, Torino, Italy

Burndy Espanola, S.A.
Calle Vilamari 81
Barcelona 15, Spain

Burndy S.A.
39-41 rue Amilcar Cipriani
93-St. Ouen, France

Burndy Scandinavia A.B.
Stockholm, Sweden

Burndy Nederland B.V.
Delftsevaart 26
Rotterdam, Netherlands

Burndy Inc.
Canada

Burndy (FSC) Inc.
U.S. Virgin Islands

Burndy International Inc.
Burndy Export Sales Corp.

Husky Products, Inc.
Kentucky

Caribbean Electronics Limited
Bermuda

Transfer Agent(s):

Marine Midland Bank N.A.,
250 Park Avenue
New York, New York 10177

Stock Exchange(s): New York

Ticker Symbol: BDC

Number of Employees:

1985	3,828	1982	3,865
1984	4,350	1981	4,698
1983	4,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 218,970,000	$ (9,061,000)
1984	232,380,000	12,763,000
1983	211,509,000	12,040,000
1982	226,409,000	15,325,000
1981	256,764,000	32,839,000

	No. of Com. Shares +	Earn. per Share +
1985	12,001,000	$ —
1984	11,978,000	1.07
1983	11,967,000	1.01
1982	12,088,000	1.27
1981	12,442,000	2.64

(Loss)
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.64	—	—
1984	0.84	—	—
1983	0.80	—	—
1982	0.72	—	—
1981	0.63	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 119,408,000	$ 9.95
1984	131,354,000	10.97
1983	131,554,000	10.99
1982	130,678,000	10.81
1981	133,422,000	10.72

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 218,970,000	$ 232,380,000
Cost of sales	155,434,000	141,197,000
Expenses	67,281,000	62,457,000
Interest expense	9,722,000	7,391,000
Other income	(4,794,000)	(6,237,000)
Income (loss) bef. taxes	$ (8,673,000)	$ 27,572,000
Income taxes	388,000	14,809,000
Net Income (Loss)	$ (9,061,000)	$ 12,763,000

* Included in Costs and Expenses, Depreciation and Amortization: $11,715,000 in 1985 and $8,781,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 12,584,000	$ 25,175,000
Accts. receiv., net	43,886,000	50,959,000
*Inventories	69,910,000	72,387,000
Prepaid expenses	8,142,000	2,210,000
Current Assets	$ 134,522,000	$ 150,731,000
Investments	7,593,000	6,111,000
#Fixed assets	70,771,000	68,819,000
Other assets	1,329,000	1,524,000
Intangibles	1,006,000	1,052,000
Total Assets	$ 215,221,000	$ 228,237,000

Liabilities

Notes payable	$ 14,534,00	$ 36,138,000
Long-term debt, curr.	3,778,000	2,017,000
Accts. payable & accruals	26,203,000	24,645,000
Accrued payroll	5,986,000	6,556,000
Income taxes	—	2,106,000
Curr. Liabilities	$ 50,501,000	$ 71,462,000
Long-term debt	35,685,000	16,508,000
Deferred inc. taxes	8,904,000	8,215,000
Deferred retirement	723,000	698,000
+Common stock	13,136,000	13,136,000
Add. paid-in capital	6,113,000	6,175,000
Retained earnings	125,674,000	142,412,000
Cumulative translation adjustments	(8,081,000)	(12,690,000)
Treasury stock	(17,434,000)	(17,679,000)
Total Liabilities & Shareholders' Equity	$ 215,221,000	$ 228,237,000

* Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	11.87
%Net Income to Sales	—	5.49
%Net Income to Equity	—	9.72
Sales to Inventories	3.13	3.21
Debt to Equity	0.45	0.42
Working Capital	$ 84,021,000	$ 79,269,000
Current Ratio	2.66	2.11
Shareholders' Equity	$119,408,000	$131,354,000

Burroughs Corporation

Burroughs Place
Detroit, Michigan 48232
(313) 972-7000

Officers: W. Michael Blumenthal, chairman of the board & chief exec. officer; Paul G. Stern, president & chief operating officer; Philip S. Dauber, Frederick F. Jenny, Robert F. Holmes, Richard H. Bierly, Hollis L. Caselll, James A. Unruh, sr. v.p.'s; William J. Beckham, Jr., Eric V. McGlone, Fred R. Meier, Eugene L. Merlino, Jr., Robert D. Merrell, Robert J. O'Connell, Jack F. Thompson, Leroy W. Beers, Martin A. Belsky, Richard B. Williams, John J. Holton, Reto Braun, George R. Gazerwitz, Curtis A. Hessler, Jeanette P. Lerman, W. Lee Shevel, v.p.'s; J. Marne Gleason, v.p. & gen. counsel; Kenneth L. Miller, v.p. & secretary; Raymond V. Thomas, v.p. & controller; Leon J. Level, v.p. & treasurer; Bernard M. Hirl, general auditor; Bobette Jones, asst. secretary; Jack R. Silverberg, asst. treasurer; Robert A. Crist, asst. controller.

Directors: W. Michael Blumenthal, chairman of the board; Charles F. Barber, James C. Fletcher, Wade H. McCree, Jr., William G. Milliken, Paul S. Mirabito, Alan E. Schwartz, Arthur R. Seder, Jr., Harold T. Shapiro, Paul G. Stern, Robert M. Surdam, Alice M. Rivlin, William E. LaMotle.

Areas of Work: Engaged in designing, engineering, manufacturing, marketing and supporting information systems and providing related services and supplies.

Burroughs Corporation

Operating Groups and Divisions:

System Products
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232
This group manages all Burroughs operations relating to the planning, engineering and manufacturing of a full-range of computer systems, environmental software and associated communications capabilities. The group produces a broad range of systems from the large scale B 7900 series and the recently introduced A Series of mainframe systems, through medium and smaller scale systems including the B 4900, B 5900, B 3900, B 2900, to small scale systems including the B 1900, B 900 and B 90 series computer systems. System Products is also active in semiconductor and circuit design for devices to be incorporated in Burroughs products. In 1983, System Products established the Advanced Systems Group, chartered to develop the next generation of fully distributed processing systems and supporting networking capabilities. System products operates plant facilities in the U.S. and overseas.

System Development Corporation
5151 Camino Ruiz
Camarillo, California 93010
SDC is a wholly-owned subsidiary of Burroughs which focuses on federal government markets for standard and special information processing equipment and services. SDC was acquired in 1981 and now includes the former Burroughs Federal & Special Systems Group.

Divisions:

Memorex Corporation
San Tomas at Central Expressway
Santa Clara, California 95052
Memorex is a wholly-owned subsidiary of Burroughs which develops, manufactures, markets and supports a range of information storage devices, media, terminals and other communications systems. Memorex maintains marketing operations in some 80 countries worldwide.

Financial Systems Group
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232
The Financial Systems Group manages Burroughs product programs targeted for the financial services marketplace. Current offerings include a broad range of financial systems and software including financial terminals such as teller terminals and ATMs, check encoding systems, document processing systems, and related systems. FSG also manages Burroughs printer products, which include both high speed impact and a number of non-impact printers, including a new laser page printing system. FSG operates facilities in the U.S. and overseas.

Business Information Systems Group
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232
The Business Information Systems Group is responsible for Burroughs programs in small business systems, notably the B 20 family of microcomputer systems, general purpose display terminals and workstations, including the ET series of ergonomic terminals, and a range of office automation equipment including word processing systems, facsimile devices, mass storage systems and related devices. BISG also manages Burroughs Dealer Marketing Organization, comprised of distributors and retail dealers of B 20 systems and related software.

Worldwide Marketing
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232
Worldwide Marketing consolidates marketing and market planning operations for Burroughs principal product programs for both domestic and international markets. WWM is organized into staff segments charged with coordinating marketing practices, targeted line-of-business development, and overall planning and marketing strategy. Two principal operating groups are responsible for field marketing management: the Business Machines Group is responsible for U.S. marketing activities through a structure of eight marketing regions; the International Group coordinates marketing activities through two geographical divisions and reporting country subsidiaries. The unit also includes a new software and services unit and separate customer support operations.

Planning & Logistics Division
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232
PLG integrates manufacturing planning, distribution and inventory management through the coordination of all processes from order entry through customer delivery and installation.

Business Machines Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-7330
Markets Burroughs systems and equipment and provides customer support services throughout the United States.

International Group
Burroughs Place, P.O. Box 330-A
Detroit, Michigan 48232
(313) 972-7432
Markets Burroughs systems and equipment and provides customer support services outside the United States.

Federal and Special Systems Group
P.O. Box 517
Paoli, Pennsylvania 19301
(215) 648-3411
Markets Burroughs systems and equipment and provides support services to the U.S. Government. Also engineers and manufactures special systems and equipment and markets them in the U.S. and overseas.

Computer Systems Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-9687
Engineers and manufactures Company's very large, large, medium-scale, and small-scale systems.

Components Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-7232
Engineers and manufactures component products including integrated circuit assemblies; printed circuit boards; keyboards, fabricated parts; cables and other interconnection devices; and power supplies for use in Burroughs systems and equipment.

Terminal Systems Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-9337
Engineers and manufactures terminal systems and products, electronic calculators and adding machines.

Program Products Division
Radnor, Pennsylvania
Develops line-of-business application software for all standard products.

Micro-Components Organization
1670170 Bernardo Drive
San Diego, California 92127
(714) 487-3000
Engineers and manufactures semiconductor products including integrated circuit logic and memory; and develops advanced microcircuitry for use in Burroughs products.

Office Systems Group
Danbury, Connecticut
Develops, manufactures and markets office automation products, including facsimile and optical character recognition products, word processing and retrieval products.

Communications and Networks Group
Burroughs Place
Detroit, Michigan 48232
Develops a variety of communications and network systems including distributed data processing systems, interfaces to public and private networks and local network distribution systems.

Document Information Systems Group
Burroughs Place
Detroit, Michigan 48232
Engineers and manufactures encoders, printers, and document reader-sorters.

Display Division
Plainfield, New Jersey
Manufactures and markets on an OEM basis plasma displays.

Office and Media Products Group
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232
Combines the former Office Products Group operation in the U.S., the Business forms and Supplies division of the International Group, the Memorex Media Products group, and the Imaging Systems division to provide a broad range of business forms, checks and other financial documents, magnetic media, office supplies and facsimile systems. The group operates plants in the U.S. and overseas markets through distributors, agents, a direct sales force and a direct response marketing program.

Subsidiaries:

Burroughs Export Corporation
100 West Tenth Street
Wilmington, Delaware

Burroughs Information Systems, Ltd.
Wilmington, Delaware

Burroughs Inter-America, Limited
Wilmington, Delaware

Burroughs International Company
Wilmington, Delaware

Burroughs Properties, Inc.

Compania Burroughs de Maquinas Limitada
Ingeniero Heurgo 965
Buenos Aires, Argentina

Burroughs Limited
P.O. Box 464
North Sydney, NSW, Australia 2060

Burroughs Datenverarbeitung Gesellschaft m.g.H.
Moering Gasse 10
A-1151 Vienna, Austria

Compangnie Belge Burroughs, S.A.
12 Ave de Broqueville
(Angles Rue du Duc 100)
1150 Brussels, Belgium

Burroughs Electronica Ltda.
Caixa Postal 1410-ZC00
Rio De Janeiro, Est. Da Guanabara
Brazil

Burroughs de Chile, S.A.
Casilla de Correo 14285
Santiago, Chile

Burroughs de Colombia, S.A.
Apartado Aereo 53433
Bogota de Colombia

Burroughs de Centro America, S.A.
Apartado 2837
San Jose, Costa Rica

Burroughs Data Systemer A/S
Jydeholmen 15
2720 Van Lose
Copenhagen, Denmark

Societe Autonyme Burroughs
230-242 Avenue Laurent Cely
Boite Postale 50
92231-Gennevilliers (Hauts de Seine)
France

Burroughs Machines Limited
Heathrow House, Bath Road
Hounslow, Cranford
Middlesex, England

Burroughs G.m.b.H.
Frankfurter Allee-14-20
D6236, Eschborn, Germany

Burroughs B.V.
Prof EM, Meyerslaan 2-4
P.O. Box 48
Amstelveen, Holland

Burroughs Machines (Hong Kong) Ltd.
B300, Black 'B', Watson's Estate
Watson Road
North Point, Hong Kong

Burroughs Italiana S.p.A.
Via Cernaia 2
20121 Milan, Italy

Burroughs Machines Limited
P.O. Box 40572
Nairobi, Kenya

Compania Burroughs Mexicana, S.A.
Ave Ejercito Nacional 1005
Mexico 10, D.F., Mexico

Burroughs Limited
P.O. Box 30354
Lower Hutt, New Zealand

Burroughs A/S
P.O. Box 40-Bestun
Oslo 2, Norway

Burroughs Limited
P.O. Box 343, Makati, Rozal 3117
Manila, Philippines

Burroughs Europe-Africa Marketing Limited
Middlesex, England

TATA Burroughs Ltd.
Manish Commercial Centre-5th Floor
Dr. Anni E. Seasant Rd.
Worli, Bombay 400-025, India

Burroughs, Inc.
G.P.O. Box 3308
San Juan, Puerto Rico 00936

Burroughs Machines, Limited
Burroughs House
P.O. Box 2316
Salisbury, Rhodesia

Burroughs Machines, Limited
P.O. Box 3996
Johannesburg, Transvaal, South Africa

Burroughs AB
Banergatan 10
S-11522 Stockholm, Sweden

Burroughs (Schweiz) A.G.
P.O. Box 2067
8023 Zurich, Switzerland

Burroughs International S.A.
18, Rue St. Pierre
1700 Fribourg, Switzerland

Burroughs S.A.
General Davila 7
Madrid-3, Spain

Burroughs Compania Anonima
Apartado 70116-Los Ruices
Caracas, Venezuela

Burroughs Caribbean Limited
P.O. Box 69
Cross Roads
Kingston 5, Jamaica, W.I.

Burroughs Electronica (Portugal) S.A.R.L.
Rua Gregorio Lopes, Lote 1514
Lisbon-3 (Restelo) Portugal

Burroughs Business Machines, Ltd.
801 York Mills Road
Don Mills, Ontario, M3B 1X8 Canada

Burroughs Bahamas Ltd.
P.O. Box ES6266
Dowdswell Street
Nassau, Bahamas

Galactic Assurance Group Ltd.
Bank of Bermuda Building
Hamilton, Bermuda

Formularios e Suprimentos Burroughs Ltda.
Rio De Janeiro, Est. de Guanbara, Brazil

Burroughs Leasing Company Limited
Heathrow House, Bath Road
Hounslow, Cranford
Middlesex, England

Burroughs Co., Ltd.
Hanzomon Building
7.1 chome, Kojimachi
Chiyoda Ku, Tokyo
102, Japan

Burroughs Computer Systeme Gesellschaft m.b.H.
Tauchlaben, 7a
1010 Vienna 1, Austria

Ubique Assurance Ltd.
Bank of Bermuda Building
Hamilton, Bermuda

Burroughs Hellas S.A.
121 Sygrov Avenue
Athens 405, Greece

Burroughs, S.A. de C.V.
Ejercito Nacional 1005
Mexico, D.F. Mexico

Industrias Mexicanas Burroughs, S.A. de C.V.
Guadalajara Jalisco, Mexico

Espirales, S.A.
VBIA Espana 200
Panama 5, Republic of Panama

Burroughs S.A.
Via Espana 200
Panama 5 Republic of Panama

Burroughs A.G.
Fribourg, Switzerland

Burroughs Europe-Africa, Inc.

Burroughs Latin America, Inc.

Burroughs Pacific, Inc.

Burroughs Overseas Limited

Burroughs OEM Corporation

Burroughs GEM Marketing Corporation

Burroughs Pacific Finance Limited

Graphics Technology Corporation
Boulder, Colorado

Manufactures and develops CAD/CAM systems. Graftek specializes in software applications such as mechanical design, automated drafting, numerical control programming and plastic injection-mold design and analysis.

Systems Research Incorporated

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): New York*, Midwest*, Pacific*, Cincinnati, London, Amsterdam, Antwerp, Basel, Brussels, Geneva, Lausanne, Zurich.

* Listed.

Ticker Symbol: BGH

Number of Employees:

1985	60,500	1982	62,000
1984	65,300	1981	67,000
1983	63,800		

Plant Footage:

1985	N.A.	1983	10,239,000
1984	10,109,000 sq.ft.	1982	N.A.

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$3,526,000,000	$ 248,200,000
1984	3,240,800,000	244,900,000
1983	2,703,400,000	196,900,000
1982	2,485,679,000	117,628,000
1981	1,950,282,000	148,926,000

	No. of Com. Shares #	Earn. per Share #
1985	45,454,000	$ 5.46
1984	45,373,600	5.40
1983	42,847,000	4.60
1982	42,048,000	2.80
1981	41,641,000	3.58

# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Information Systems & Equipment	$ 2,899,300	$ 2,775,500
Equipment Service	1,142,200	1,112,300
Media Products	593,900	575,100
Special Purpose Products & Components	402,300	345,400
Total	$ 5,037,700	$ 4,808,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.60	—	—
1984	2.60	—	—
1983	2.60	—	—
1982	2.60	—	—
1981	2.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$2,492,400,000	$ 54.71
1984	2,297,400,000	50.65
1983	2,231,900,000	49.12
1982	2,040,649,000	48.36
1981	2,180,076,000	51.88

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,526,000	$ 3,240,800
Rentals & service revenue	1,511,700	1,567,500
Total Income	$ 5,037,700	$ 4,808,300
Cost of sales	2,185,000	2,005,800
Cost of rentals & service	898,700	909,300
Expenses	1,527,000	1,472,200
Interest expense	144,500	125,800
Interest & other income	(77,000)	(67,300)
Income before taxes	$ 359,500	$ 362,500
Income taxes	111,300	117,600
Net Income	$ 248,200	$ 244,900

* Included in Costs and Expenses, Depreciation: $338,400,000 in 1985 and $379,600,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & marketable securities	$ 42,500	$ 39,100
Accts. & notes receiv., net	1,228,600	1,191,300
*Inventories	1,475,400	1,367,800
Prepaid expenses	121,700	145,300
Current Assets	$ 2,868,200	$ 2,743,500
Long-term receiv.	223,600	293,100
Rental equip.	261,900	338,700
#Fixed assets	1,007,100	949,800
Other assets	195,600	179,100
Total Assets	$ 4,556,400	$ 4,504,200

Liabilities
(000's)

Notes payable	$ 157,200	$ 203,300
Long-term debt, curr.	14,000	24,800

Burroughs Corporation

Accts. payable	511,700	619,600
Other accruals	447,600	* 399,400
Dividends payable	29,600	29,500
Income taxes	79,600	155,900
Curr. Liabilities	$ 1,239,700	$ 1,432,500
Long-term debt	801,800	742,200
Deferred inc. taxes	22,500	32,100
+Common stock	228,000	227,800
Add. paid-in capital	596,300	599,000
Retained earnings	1,872,400	1,742,400
Treasury stock	(400)	(9,000)
Currency translation adjustment	(203,900)	(262,800)
Total Liabilities & Shareholders' Equity	$ 4,556,400	$ 4,504,200

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Total Income	7.14	7.54
%Net Income to Total Income	4.93	5.09
%Net Income to Equity	9.96	10.66
Debt to Equity	0.39	10.66
Working Capital	$1,628,500,000	$1,311,000,000
Current Ratio	2.31	1.92
Shareholders' Equity	$2,492,400,000	$2,297,400,000

Butler National Corporation

8246 Nieman Road
Lenexa, Kansas 66214
(913) 888-8585

Officers: Leonard E. Lindquist, chairman of the board; Gerald R. Smith, president & chief exec. officer; R.J. Fitzgerald, secretary; Janice E. Katterlenry, v.p., treasurer & asst. secretary; Jack Graham v.p.-aircraft modifications; Robert D. Fulton, v.p.-marketing & sales.

Directors: Leonard E. Lindquist, chairman; Carl H. Almond, Gerald R. Smith, Albert Sidun, Howard Boasberg, Richard J. Fitzgerald.

Areas of Work: Manufactures and sells avionics equipment, navigation and communication devices. Primary products are an Automatic Dialing Alarm System (ADAS) and an airborne switching unit. Also manufactures synthesized voice computers, pipeline monitoring systems and emergency notification systems.

Subsidiaries:

Cansas International Corporation
Engaged in aircraft modification.

Plectron Corporation
Lenexa, Kansas
Manufactures radio, data and voice transmission equipment.

Avcon Industries
Newton, Kansas
Modifies aircraft.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
7th & Marquette
Minneapolis, Minnesota 55401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUTL (NASDAQ)

Number of Employees:

1985	95	1982	60
1984	99	1981	50
1983	64		

Plant Footage:

1985	23,935 sq.ft.	1982	22,000
1984	23,935	1981	22,000
1983	23,935		

Sales and Earnings

	Net Sales †	Net Income +
1985	$ 5,218,000	$ 391,186
1984	6,035,000	401,041
1983	4,995,000	458,170
1982	5,199,000	195,983
1981	3,203,000	(376,533)

	No. of Com. Shares #	Earn. Per Share # +
1985	3,019,111	$ 0.13
1984	2,904,134	0.14
1983	2,737,476	0.17
1982	2,737,667	0.07
1981	2,732,717	—

(Loss)
† Of continuing operations only.
# Based on the weighted average number of shares outstanding.
+ Including extraordinary credits of $143,000 ($0.05 per share) in 1984, $228,500 ($.08 per share) in 1983 and $100,500 ($0.04 per share) in 1982.

Revenues By Line of Business

	1985	1984
Avionics	$ 898,684	$ 3,079,767
Monitoring & communication systems	2,852,666	2,014,491
Aircraft modification	1,294,390	597,613
Other	171,878	343,055
Total	$ 5,217,618	$ 6,034,926

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 2,634,868	$ 0.87
1984	2,224,019	0.77
1983	1,373,624	0.50
1982	915,454	0.33
1981	714,831	0.26

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1985	1984
Net sales	$ 5,217,618	$ 6,034,926
Cost of sales	2,543,925	3,878,478
Expenses	1,969,008	1,592,913
Interest expense	297,477	179,729
Interest income	(27,978)	(17,235)
Income before taxes	$ 435,186	$ 401,041
Income taxes	44,000	143,000
Net Income	$ 391,186	$ 258,041
Extraordinary gain	—	143,000
Net Income & extraordinary gain	$ 391,186	$ 401,041

* Included in Costs and Expenses, Depreciation and Amortization: $116,252 in 1985 and $84,859 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 46,667	$ 31,865
Accts. receiv., net	1,069,261	1,441,968
Receiv. from officer	—	110,442
Contract receivable	87,856	29,799
*Inventories	3,257,444	1,759,924
Prepaid expenses	59,797	22,811
Current Assets	$ 4,521,025	$ 3,396,809
Note receivable	160,432	138,875
Receiv. from officer	86,402	—
Contract receiv.	64,566	68,768
#Fixed assets	1,062,984	1,163,080
Other assets	123,879	137,602
Total Assets	$ 6,019,288	$ 4,905,134

Liabilities

Long-term debt. curr.	$ 31,065	$ 65,657
Accts. payable	627,366	458,559
Accrued inc. taxes	30,000	—
Accruals	236,137	210,829
Curr. Liabilities	$ 924,568	$ 735,045
Long-term debt	2,459,852	1,946,070
+Common stock	308,999	307,569
Add. paid-in capital	9,537,987	9,519,754
Deficit	(7,150,039)	(7,541,225)
Treasury stock	(62,079)	(62,079)
Total Liabilities & Shareholders' Equity	$ 6,019,288	$ 4,905,134

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.34	6.65
%Net Income to Sales	7.50	4.28
%Net Income to Equity	14.85	11.60
Sales to Inventories	1.60	3.43
Debt to Equity	0.95	0.90
Working Capital	$3,596,457	$2,661,764
Current Ratio	4.89	4.62
Shareholders' Equity	$2,634,868	$2,224,019

CAE Industries Ltd.

Suite 3060, P.O. Box 30
Royal Bank Plaza
Toronto, Ontario, M5J 2J1, Canada
(416) 865-0700

Officers: R. Fraser Elliott, chairman of the board; C. Douglas Reekie, vice chairman; David H. Race, president & chief executive officer; Frank van de Water, v.p.-finance and secretary; John G. Mackay, exec. v.p.; Frederick C. Fraser, v.p.-corp. relations; Donald M. Derouin, comptroller & asst. secretary.

Directors: R. Fraser Elliott, chairman; C. Douglas Reekie, P.L.P. Macdonnell, G. Drummond Birks, Pierre Cote, Ward C. Pitfield, E. Jacques Courtois, J.D. Creighton, J.W. McCutcheon, Michael M. Koerner, V.N. Stock, F.C. Wilkinson.

Areas of Work: CAE Industries Ltd. is a Canadian-owned holding and management company with operating divisions across Canada. These divisions are engaged in electronics, avaition, automotive and industrial products manufacturing and service for a wide variety of industries, and in the distribution of machine tools, industrial equipment and supplies from coast to coast. The company also has an electronics division in West Germany. Approximately 62% of the company's manufactured products sales are to export markets. CAE divisions specialize in high technology products and services.

Subsidiaries:

CAE Machinery Ltd.
3550 East Broadway
Vancouver, B.C., Canada
(604) 299-3431

USP Industries Inc.
72 Queen Street
Lennoxville, Quebec, Canada
(814) 562-4754

Northwest Industries Limited
Industrial Airport
P.O. Box 517
Edmonton, Alberta, Canada
(403) 455-3161

Canadian Bronze Company Limited
15 Bury Street
Winnipeg, Manitoba, Canada
(204) 786-6821

CAE Electronics Ltd.
8585 Cote de Liesse Road
St. Laurent 377
Montreal, Quebec, Canada
(514) 341-6780

CAE Webster Ltd.
1161 King Street
London, Ontario, Canada
(519) 455-1220

CAE Magnesium Products Div.
155 High Street
Strathroy, Ontario Canada
(519) 245-4040

CAE Accurcast Ltd.
333 Arnold Street
Wallaceburg, Ontario, Canada
(519) 627-1441

CAE Fiberglass Ltd.
219 Jamieson Bowe Road
Belleville, Ontario, Canada

CAE Electronics GmbH
Steinfurt II
Stolberg, Aachen, West Germany

CAE Metal Abrasive Division
650 Rushmore Road
Welland, Ontario, L3B 5R4 Canada
(416) 735-4691

CAE-DieCast Ltd.
15 Yale Cr.
St. Catharines, Ontario, Canada
(416) 688-6611

CAE Journpak
1840-44 Cote de Liesse Road
Montreal, Quebec, Canada

CAE Metals Ltd.
15 Yale Crescent
St. Catharines, Ontario, Canada

Transfer Agent(s):

Montreal Trust Company
Montreal, Quebec, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CAE

Number of Employees:

1985	4,892	1982	4,238
1984	4,065	1981	4,460
1983	3,558		

Sales and Earnings

	Revenues +	Net Income #
1986	$ 332,929,000	$ 24,370,000
1985	327,012,000	30,410,000
1984	283,119,000	22,743,000
1983	243,983,000	11,097,000
1982	219,780,000	4,407,000

	No. of Com. Shares ×	Earn. per Share ‡#
1986	38,052,631	$ 0.68
1985	35,862,850	0.85
1984	35,587,572	0.64
1983	35,003,172	0.32
1982	34,843,092	0.13

+ Of continuing operations only.
# Including extraordinary gains of $1,313,000 ($0.04 per share) in 1986 and $477,000 ($0.02 per share) in 1983, and extraordinary losses of $412,000 ($0.01 per share in 1985 and $6,020,000 ($0.35 per share) in 1982.
× Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.28	—	—
1985	0.20	—	2-for-1
1984	0.10	—	—
1983	0.10	—	—
1982	0.10	—	3-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 150,129,000	$ 3.95
1985	97,613,000	2.72
1984	73,326,000	2.06
1983	53,182,000	1.52
1982	45,501,000	1.31

‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended March 31	1986	1985
Revenue	$ 332,929	$ 327,012
Cost of sales & expenses	288,192	281,726
Depreciation & amortization	9,831	7,910
Interest expense	1,064	1,298
Interest income	(4,698)	(6,134)
Income from cont. oper.	$ 38,540	$ 42,212
Loss from discont. oper.	—	(1,776)
Income before taxes	$ 38,540	$ 40,436
Income taxes	15,483	9,614
Net Income	$ 23,057	$ 30,822
Extraord. items	1,313	(412)
Net Income & extraord. items	$ 24,370	$ 30,410

Assets
(000's)

As of March 31	1986	1985
Cash	$ 68,291	$ 58,556
Accts. receiv., net	63,051	54,275
*Inventories	181,044	99,849
Prepaid expenses	1,372	871
Net assets of discont. operation	115	1,005
Current Assets	$ 313,873	$ 214,556
#Fixed assets	69,430	56,702
Other assets	3,159	3,788
Deferred inc. taxes	—	1,008
Total Assets	$ 386,462	$ 276,054

Liabilities
(000's)

Bank indebtedness	$ 8,362	$ 6,800
Long-term debt, curr.	2,163	2,069
Accts. payable & accruals	57,087	49,696
Gov't of Canada loan	3,900	3,900
Income & other taxes	558	3,605
Deposits on contracts	148,481	95,842
Curr. Liabilities	$ 220,551	$ 161,912
Long-term debt	14,117	15,583
Deferred income taxes	398	—
Minority interest	1,267	946
+ Capital stock	47,256	8,271
Retained earnings	102,873	89,342
Total Liabilities & Shareholders' Equity	$ 386,462	$ 276,054

* At lower of average cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.16	—
%Net Income to Sales	6.93	—
%Net Income to Equity	15.36	31.58
Debt to Equity	0.11	0.18
Working Capital	$ 93,322,000	$52,644,000
Current Ratio	1.42	1.33
Shareholders' Equity	$150,129,000	$97,613,000

California Microwave, Inc.

990 Almanor Avenue
Sunnyvale, California 94086
(408) 732-4000

Officers: David B. Leeson, chief executive officer; Gilbert F. Johnson, president & chief operating officer; David E. Hershberg, v.p. & president-Satellite Transmission Systems, Inc.; George L. Spillane, v.p.-finance & chief financial officer; Joseph Russell, v.p. & president-Government Electronics Division; E. Russell Hardy, v.p. & president-Defense Products Division; Ivan A. Cermat, exec. v.p.-Telecommunications Division..

Directors: David B. Leeson, chairman; Robert A. Helliwell, Franklin P. Johnson, Jr., Gilbert F. Johnson, Oswald G. Villard, Jr., Thomas D. Sege, Daniel J. McGanney, Jr.

Areas of Work: Active in five related product areas— telecommunications transmission equipment, satellite earth stations and equipment, radar test equipment, defense communication converters, and government intelligence.

Divisions and Subsidiaries:

California Microwave Foreign Sales Corp.
(408) 732-4000

TXR, Inc.
Sunnyvale, California
Microwave digital radio.

Communications Systems Operation
Columbia, Maryland

Microwave Data Systems
Rochester, New York

Satellite Transmission Systems, Inc.
80 Oser Avenue
Hauppauge, New York 11787
(516) 231-1919

Defense Products Division
Defense satellite equipment, and radar equipment.

Telecommunications Division
Digital transmission, microwave radio equipment, and satellite telephony equipment and stations.

Government Electronics Division
Woodland Hills, California
Electronic intelligence systems.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMIC (NASDAQ)

Number of Employees:

1985	1,016	1982	1,034
1984	1,241	1981	994
1983	1,193		

Plant Footage:

1985	338,000 sq. ft.	1982	284,000
1984	365,000	1981	248,000
1983	365,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 105,359,000	$ 4,607,000
1984	112,493,000	5,866,000
1983	101,209,000	5,375,000
1982	88,615,000	4,154,000
1981	56,971,000	2,521,000

California Microwave, Inc.

	No. of Com. Shares #	Earn. per Share #
1985	8,433,000	$ 0.55
1984	8,409,000	0.70
1983	8,318,000	0.65
1982	8,014,000	0.52
1981	7,106,000	0.35

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Satellite commun. equipment	$ 52,419	50%	$ 65,524	58%
Terrestrial equipment	52,940	50	46,969	42
Total	$105,359	100%	$112,493	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	50%	—
1982	—	100%	—
1981	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 46,087,000	$ 5.47
1984	41,856,000	5.01
1983	34,954,000	4.31
1982	28,300,000	3.57
1981	23,147,000	2.99

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 105,359,000	$ 112,493,000
Cost of sales	79,275,000	84,555,000
Expenses	18,048,000	17,376,000
Interest income	(492,000)	(128,000)
Income before taxes	$ 8,528,000	$ 10,690,000
Income taxes	3,921,000	4,824,000
Net Income	$ 4,607,000	$ 5,866,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,238,000 in 1985 and $3,151,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 1,019,000	$ 1,638,000
Short-term investments	7,843,000	2,419,000
Accts. receiv., net	20,311,000	18,243,000
*Inventories	18,630,000	22,643,000
Prepaid expenses	423,000	258,000
Current Assets	$ 48,226,000	$ 45,201,000
#Fixed assets	11,260,000	12,814,000
Other assets	6,707,000	5,836,000
Total Assets	$ 66,193,000	$ 63,851,000

Liabilities

	1985	1984
Accts. payable	$ 8,248,000	$ 9,773,000
Accruals	5,578,000	5,375,000
Income taxes	3,680,000	4,247,000
Curr. Liabilities	$ 17,506,000	$ 19,395,000
Long-term debt	2,600,000	2,600,000
+Common stock	2,054,000	2,055,000
+Jr. Common stock	27,000	33,000
Add. paid-in capital	15,367,000	14,540,000
Retained earnings	29,432,000	26,108,000
Unamortized stock plan	(510,000)	(513,000)
Notes receivable	(283,000)	(367,000)
Total Liabilities & Shareholders' Equity	$ 66,193,000	$ 63,851,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.09	9.50
%Net Income to Sales	4.37	5.21
%Net Income to Equity	10.00	14.01
Sales to Inventories	5.66	4.97
Debt to Equity	0.04	0.06
Working Capital	$30,720,000	$25,806,000
Current Ratio	2.75	2.33
Shareholders' Equity	$46,087,000	$41,856,000

Cambex Corporation

(formerly Cambridge Memories, Inc.)

360 Second Avenue
Waltham, Massachusetts 02154
(617) 890-6000

Officers: Joseph F. Kruy, chairman of the board & president; James R. Kearnan v.p. & treasurer; James E. Kryzynski, Arthur L. Ziskend, v.p.'s; John E. Beard, clerk.

Directors: Joseph F. Kruy, Myron A. Angier, C.V. Ramamoorthy, Philip C. Hankins.

Areas of Work: Designs, develops, manufactures and markets memory systems used with large-scale computers and with minicomputers in both the end-user and original equipment markets; manufactures and markets a series of computer systems that are compatible with several models of the IBM system 370 and 4300 computer families; markets memory sub-systems and components for incorporation into a variety of digital products manufactured by others.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CBEX (NASDAQ)

Number of Employees:

1984	N.A.	1982	103
1983	N.A.	1981	120

Plant Footage:

1984	N.A.	1981	55,000
1983	N.A.	1980	55,000
1982	55,000 sq. ft.		

N.A.-Not Available.

Sales and Earnings

	Revenues	Net Income +
1984	$ 5,667,015	$ 145,816
1983	4,494,435	(1,971,573)
1982	8,016,566	103,510
1981	8,047,755	435,119
1980	4,046,577	201,070

	No. of Com. Shares †	Earn. per Share +†
1984	1,844,000	$ 0.08
1983	1,804,000	—
1982	1,803,000	0.06
1981	1,820,000	0.24
1980	1,775,000	0.11

(Loss)
+ Including extraordinary credits of $47,000 ($0.03 per share) in 1984, $28,000 ($0.02 per share) in 1982, $157,000 ($0.09 per share) in 1981 and $922,251 ($0.52 per share) in 1980.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1984	$ 1,453,656	$ 0.79
1983	1,225,005	0.68
1982	3,171,249	1.76
1981	3,037,739	1.67
1980	2,583,393	1.46

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Aug. 31	1984	1983
Revenues	$ 5,667,015	$ 4,494,435
Cost of sales	3,534,227	4,127,984
Expenses	1,844,799	2,168,180
Oper. Income (Loss)	$ 287,989	$ (1,801,729)
Interest income	(19,221)	(28,417)
Interest expense	147,394	198,261
Income (loss) bef. taxes	$ 159,816	$ (1,971,573)
Income taxes	61,000	—
Net Income (Loss)	$ 98,816	$ (1,971,573)
Extraord. gain	47,000	—
Net Income (Loss) & extraord. gain	$ 145,816	$ (1,971,573)

* Included in Costs and Expenses, Depreciation and Amortization: $335,979 in 1984 and $400,236 in 1983.

Assets

As of Aug. 31	1984	1983
Cash	$ 308,563	$ 282,293
Receiv., net	575,405	441,932
*Inventories	2,339,932	2,398,952
Prepaid expenses	91,963	67,453
Current Assets	$ 3,315,863	$ 3,190,630
Leased equip.	70,708	53,138
#Fixed assets	863,121	1,132,992
Other assets	37,830	37,830
Total Assets	$ 4,287,522	$ 4,414,590

Liabilities

	1984	1983
Notes payable	$ 480,000	$ 745,000
Long-term debt, curr.	156,948	195,183
Accts. payable	927,424	837,340
Accruals	948,251	983,157
Accrued payroll	43,849	48,632
Accrued interest	33,693	29,931
Income & other taxes	147,848	155,332
Curr. Liabilities	$ 2,738,013	$ 2,994,575
Long-term debt	95,853	195,010
+Common stock	190,577	185,988
Add. paid-in capital	10,796,866	10,724,541
Retained earnings (deficit)	(9,504,872)	(9,650,688)
Treasury stock	(28,915)	(34,836)
Total Liabilities & Shareholders' Equity	$ 4,287,522	$ 4,414,590

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.82	—
%Net Income to Revenues	1.74	—
%Net Income to Equity	6.80	—
Working Capital	$ 577,850	$ 196,055
Current Ratio	1.21	1.07
Shareholders' Equity	$1,453,656	$1,225,005

Canadian General Electric Company Limited

(91.9% owned by General Electric Company)

P.O. Box 417
Commerce Court North
25 King Street West
Toronto, Ontario, Canada M5L IJ2
(416) 365-6500

Officers: William R.C. Blundell, chairman & chief executive officer; Robert T.E. Gillespie, exec v.p.; Russell M. Baranowski, v.p.-lighting products; Max Drouin, v.p.-corporate customer relations; Merritt E. Gordon, v.p.-resources and power generation operations; Ivan R. Feltham, v.p., general counsel & secretary; Carl B. Haller, v.p. & treasurer; V. Gerold Stafl, v.p. & comptroller; Ian A. Bourne, v.p.-financial operations & analysis; Walter R. Fell, v.p.-hydro & mining; Terrance W. Sutherland, v.p.-materials and technical systems; Murray J. Stewart, v.p.-large motors & industrial electronics department; Harold G. Giles, v.p.-corporate human resource operation.

Directors: William F. McLean, D. Steele Curry, Frank P. Doyle, H. Ian Macdonald, Antoine Turmel, Denis W. Timmis, John A. Urquhart, William R.C. Blundell, Guy St.Germain, Ralph d. Ketchum, Louis V. Tomasetti.

Divisions:

Consumer and Construction Products Division

Manufactures, markets and services television, radios, stereos, kitchen and laundry appliances, room air conditioners, and portable electric housewares. Manufactures lamps. Manufactures and markets electric distribution equipment and devices, wire and cable, heating equipment, lighting equipment, cemented carbide tools, plastics, synthetic resins and silicones. Markets mobile radios, aerospace products and computer timesharing services. Distributes electrical products to wholesale trade.

Apparatus and Heavy Machinery Division

Designs, manufactures, markets and services heavy apparatus for electric utilities and primary industries—turbines, generators, switchgear, circuit-breakers, transformers, electrical distribution equipment, process control equipment, motors, paper machines, grinding and rolling mills, mining machinery, drive systems, and other heavy machinery and components. Other products include transportation equipment, nuclear reactor fuel handling systems, meters, instruments and installation and service engineering.

Affiliated Companies:

Camco Inc.
Genelcom Limited
Dominion Engineering Company Limited
Canadian General Electric International Limited
Widney Well Servicing Inc.
Amalgamated Electric Corporation Limited
Cange Limited (U.K.)
Installations Benjamin, Inc.
Sheafer-Townsend Ltd.

Transfer Agent(s):

National Trust Company
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: CGET

Number of Employees:

1985	11,605	1982	17,638
1984	12,300	1981	19,987
1983	14,657		

Sales and Earnings

	Net Sales ‡‡	Net Income
1985	$1,493,700,000	$ 53,065,000
1984	1,417,700,000	39,802,000
1983	1,392,800,000	38,520,000
1982	1,633,800,000	44,104,000
1981	1,700,102,000	51,120,000

	No. of Com. Shares	Earn. per Share #
1985	8,178,800	$ 6.49
1984	8,178,000	4.87
1983	8,178,800	4.71
1982	8,178,800	5.39
1981	8,178,800	6.25

‡‡ Includes sales of products and services.
# Based on the number of common shares outstanding assuming conversion of all cumulative convertible preferred shares.

Revenues By Line of Business

	1985	1984
Elec. apparatus & components	$ 480,582,000	$ 451,302,000
Consumer prods. & services	646,012,000	618,123,000
Machinery, technical syst. & materials	395,653,000	378,490,000
Eliminations	(12,457,000)	(9,406,000)
Total	$1,509,790,000	$1,438,509,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.40	—	—
1984	2.40	—	—
1983	2.40	—	—
1982	2.30	—	—
1981	1.95	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 538,250,000	$ 65.81
1984	504,813,000	61.72
1983	484,639,000	59.26
1982	460,842,000†	56.35
1981	435,551,000†	53.25

† After allowing for preferred shares at redemption value of $50 per share.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales & services	$ 1,493,718	$ 1,417,708
Cost of sales & exp.	1,372,148	1,326,937
Depreciation	19,887	17,500
Interest expense	7,481	6,422
Misc. taxes	11,578	11,382
Other income	(16,072)	(20,801)
Income before taxes	$ 98,696	$ 76,268
Income taxes	36,554	29,557
Minority interest	9,077	6,909
Net Income	$ 53,065	$ 39,802

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 80,485	$ 14,494
Receiv., net	313,425	318,507
*Inventories	328,132	315,486
Deferred taxes	16,871	8,827
Current Assets	$ 738,913	$ 668,087
Investments	7,363	37,672
Long-term, receiv.	11,999	8,635
#Fixed assets	240,547	209,224
Oil & gas resource props.	74,657	73,100
Deferred charges & other assets	19,638	20,327
Total Assets	$ 1,093,117	$ 1,017,045

Liabilities
(000's)

Short-term borrowings	$ 4,665	$ 12,974
Accts. payable	101,814	114,435
Progress collections	112,322	86,525
Taxes payable	33,152	5,833
Other liabilities	153,192	145,272
Curr. Liabilities	$ 405,145	$ 365,039
Long-term borrowings	19,648	32,026
Accruals	24,139	22,603
Minority interest	34,819	27,800
Deferred inc. taxes	71,116	64,764
+Common stock	26,942	26,942
Retained earnings	511,308	477,871
Total Liabilities & Shareholders' Equity	$ 1,093,117	$ 1,017,045

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.61	5.38
%Net Income to Sales	3.55	2.81
%Net Income to Equity	9.86	7.88
Sales to Inventories	4.55	4.45
Debt to Equity	0.05	0.09
Working Capital	$333,768,000	$300,027,000
Current Ratio	1.82	1.82
Shareholders' Equity	$538,250,000	$504,813,000

Canadian Marconi Company

2442 Trenton Avenue
Montreal, Quebec, Canada, H3P 1Y9
(514) 341-7630

Officers: James F. Grandy, chairman; P.E. Wheatley, president; J.G. McInnes, comptroller; J. Simons, exec. v.p.-electronic group; J.W. Dodds, v.p.-Special Services Div.; C. Filiatrault, v.p., secretary & general counsel; C. St. Arnaud, exec. v.p.-communications group; G. Stuurop, treasurer, Jean-Guy St. Germain v.p.-human resources; J.J. Kelly, v.p.-finance; L. Leveille, v.p.-Avionics Division; L. Noel, v.p.-Defense Communications Division; D. Rosenthal, v.p.-Components Division; P. Gasser, v.p.-Commercial Communications Division.

Directors: S. Dobb, I.D. Sinclair, T.S. Dcbson, J.E. Pateman, R.O. Beauchemin, J.F. Grandy, P.E. Wheatley, P.P. Ralph, W.I.M. Turner, Jr., A.S, Walsh.

Areas of Work: Engaged in the manufacture of highly engineered electronic products for defense and civil use.

Divisions and Subsidiaries:

Avionics Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Engineering, manufacturing, marketing and servicing of Airborne Doppler Navigation systems, automatic Omega receivers. Area Navigation systems, Satellite position location equipment, aircraft instrumentation displays. Manufacturing and marketing printed wiring boards.

Commercial Communications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Engineering, manufacturing, marketing and servicing of mobile two-way radio and associated base station equipment, marine radar; VHF-FM marine radio telephones; HF single sideband transmitter-receivers. Marketing and servicing of handheld radio telephones, radio and television broadcast station equipment and electronic test instruments.

Special Services Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Installs radar, communications and air navigation equipment and systems, and operates defense communications and detection systems. Operates repair and overhaul shops for radar, sonar, communications equipment and diesel electric generators, and an approved test equipment repair and calibration laboratory.

Defense Communications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Canadian Marconi Company

Engineering, manufacturing and marketing for commercial and military land-based microwave communications equipment, ancillaries, and associated supporting test equipment.

Components Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Designs, manufactures and markets electronic components including multi-layer printed circuit boards, thin film, thick film and hybrid microcircuits, magnetic devices, illuminated panels, alpha-numeric displays and power supplies.

Radar Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Develops, manufactures and markets surveillance radar transmitter/receivers, antennas, signal processing equipment and systems for commercial and military use on land and sea.

CMC Electronics, Inc.
20 Meridian Road
Eatontown, New Jersey 07724
(201) 389-2522

Sun World Circuits, Inc.
950 Sunshine Lane
Altamonte Springs, Florida 32701

Transfer Agent(s):

Montreal Trust Company
1 PlaceVille Marie
777 Dorchester Boulevard West
Montreal, Canada H3B 4A5

Stock Exchange(s): American, Montreal, Toronto

Ticker Symbol: CMW

Number of Employees:

1984	2,731	1981	2,500
1983	2,935	1980	2,200
1982	N.A.		

N.A. - Not Available.

Sales and Earnings ‡

	Revenues	Net Income
1985	$ 313,925,000	$ 52,088,000
1984	256,131,000	37,568,000
1983	198,627,000	18,790,000
1982	155,268,000	19,463,000
1981	129,417,000	13,547,000

	No. of Com. Shares +	Earn. per Share +
1985	23,772,768	$ 2.19
1984	23,772,768	1.58
1983	23,772,768	0.79
1982	23,772,768	0.82
1981	23,772,768	0.57

‡ In Canadian dollars.
+ Adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.27	—	—
1984	0.2325	—	4-for-1
1983	0.2125	—	—
1982	0.1750	—	—
1981	0.1250	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 176,972,000	$ 7.44
1984	131,303,000	5.52
1983	99,262,000	4.18
1982	85,524,000	3.60
1981	70,221,000	2.95

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended March 31	1985	1984
Revenues	$ 313,925	$ 256,131
Cost & expenses	232,864	194,198
Depreciation	8,713	7,054
Interest expense	410	462
Income before taxes	$ 71,938	$ 54,417
Income taxes	19,850	16,849
Net Income	$ 52,088	$ 37,568

Assets
(000's)

As of March 31	1985	1984
Cash & temp. invest.	$ 126,425	$ 78,839
Accts. receiv., net	40,605	40,759
Inc. taxes refundable	18,451	—
*Inventories	47,124	51,663
Prepaid expenses	492	517
Current Assets	$ 233,097	$ 171,778
#Fixed assets	28,598	24,544
Total Assets	$ 261,695	$ 196,322

Liabilities
(000's)

Accts. payable & accruals	$ 72,142	$ 52,736
Income taxes	5,189	4,258
Curr. Liabilities	$ 77,331	$ 56,994
Long-term debt	4,758	5,571
Deferred inc. taxes	2,634	2,454
+ Capital stock	10,216	10,216
Retained earnings	166,756	121,087
Total Liabilities & Shareholders' Equity	$ 261,695	$ 196,322

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	22.92	21.25
%Net Income to Revenues	16.59	14.67
%Net Income to Equity	29.43	28.61
Working Capital	$155,766,000	$114,784,000
Current Ratio	3.01	3.01
Shareholders' Equity	$176,972,000	$131,303,000

Canrad Inc.

100 Chestnut Street
Newark, New Jersey 07105
(201) 589-4300

Officers: Carl N Singer, chairman of the board; Carl Krieger, president; Harry J. Shutt, exec. v.p. & treasurer; Richard W. Noble, controller & asst. secretary; Leonard Perre, v.p.-marketing; Daniel P. Lund, secretary.

Directors: Carl N. Singer, chairman; John F. Reed, Arthur O. Choate, Jr., Carl Krieger, Philip LeBoutillier, Jr., Jonathan P. Schwartz, Harry J. Shutt.

Divisions and Subsidiaries:

Hanovia lamp
Newark, New Jersey

Designs, develops and produces plasma arc lamps and related equipment including commercial and industrial ultraviolet products.

Strong International
Omaha, Nebraska

Designs, develops and manufactures projection systems and high intensity lighting equipment.

Ballantyne of Omaha, Inc.
Omaha, Nebraska

Manufactures 35mm and 70mm movie projectors, sound equipment, and theater automation equipment and a line of restaurant equipment.

Colight
Minneapolis, Minnesota

Manufactures and markets photo exposure equipment for printed circuit board manufacturing industry.

Special Products Manufacturing Inc.
Binghampton, New York

Manufactures, assembles and sells wave guides and other components for microwave transmissions, and offers machining, plating and assembly services on a contract basis.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CNRD (NASDAQ)

Number of Employees:

1985 457

Sales and Earnings

	Net Sales +	Net Income
1985	$ 29,652,000	$ 741,009
1984	27,167,000	889,334
1983	19,735,000	(300,226)
1982	18,429,000	392,000
1981	20,207,000	837,000

	No. of Com. Shares	Earn. per Share #
1985	904,985	$ 0.67
1984	896,135	0.81
1983	840,135	—
1982	816,000	0.31
1981	816,000	0.80

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Ultraviolet products	$ 13,630,840	$ 15,773,681
Theatre & restaurant prods.	10,380,776	9,790,254
Telecommunications prods.	4,076,464	—
Other	1,563,854	1,603,489
Total	$ 29,651,934	$ 27,167,424

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 6,388,686	$ 7.06
1984	5,684,249	6.34
1983	4,763,836	5.67
1982	5,140,907	6.30
1981	4,878,606	5.98

‡ After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 29,651,934	$ 27,167,424
Cost of sales	21,980,115	19,987,744
Expenses	5,798,222	5,386,512
Interest expense	518,988	278,834
Income before taxes	$ 1,354,609	$ 1,514,334
Income taxes	613,600	625,000
Net Income	$ 741,009	$ 889,334

* Included in Costs and Expenses, Depreciation and Amortization: $444,659 in 1985 and $294,882 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 129,014	$ 134,725
Accts. receiv., net	4,825,349	3,572,592
Refundable inc. taxes	118,781	—
*Inventories	8,949,861	7,398,828
Other curr. assets	453,298	507,367
Current Assets	$ 14,476,303	$ 11,613,512
#Fixed assets	4,881,440	2,765,296
Other assets	51,650	16,387
Intangibles	445,007	463,679
Total Assets	$ 19,854,400	$ 14,858,874

Liabilities

	1985	1984
Long-term debt, curr.	$ 376,172	$ —
Accts. payable	2,461,736	2,186,453
Accruals	1,464,008	921,450
Income taxes	114,709	436,178
Accrued plant clos.	71,895	349,744
Curr. Liabilities	$ 4,488,520	$ 3,893,825
Long-term debt	6,506,656	2,370,000
Deferred inc. taxes	624,038	875,800
Excess of vested benefits	—	100,000
+ Preferred stock	1,846,500	1,935,000
+ + Common stock	678,739	672,101
Add. paid-in capital	4,870,789	4,788,927
Ret. earnings	839,158	223,221
Total Liabilities & Shareholders' Equity	$ 19,854,400	$ 14,858,874

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value.
+ + $0.75 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.57	5.57
%Net Income to Sales	2.50	3.27
%Net Income to Equity	9.00	11.67
Sales to Inventories	3.31	3.67
Debt to Equity	0.79	0.31
Working Capital	$9,987,783	$7,719,687
Current Ratio	3.23	2.98
Shareholders' Equity	$8,235,186	$7,619,249

Carco Electronics

195 Constitution Drive
Menlo Park, California 94025
(415) 321-8174

Officers: John M. Carter, president & treasurer; William M. Schultz, v.p.-administration; Rudy Schneider, v.p.-engineering; John A. Watson, v.p.-new products; Samuel R. Curless, vice president-manufacturing; William M. Spont, vice president & technical asst.; Hugh D. Carter, v.p.-materiel; Helen D. Carter, secretary; Rochelle R. Schneider, assistant secretary.

Directors: John M. Carter, A. William Bloom, Emmet G. Cameron, Robert P. Nelson, Jr., Richard T. Orth.

Areas of Work: Two major product lines are flight motion simulators and microwave test systems.

Transfer Agent(s):

Carco Electronics
195 Constitution Drive
Menlo Park, California

Stock Exchange(s): Over-the-Counter

Plant Footage:

1985	20,000 sq. ft.	1982	20,000
1984	20,000	1981	20,000
1983	20,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 6,440,665	$ 286,577
1984	4,869,945	80,791
1983	5,452,717	405,709
1982	5,228,228	409,143
1981	5,033,774	458,801
	No. of Com. Shares +	Earn. per Share ‡
1985	401,510	$ 0.71
1984	401,010	0.20
1983	401,010	0.99
1982	398,100	1.01
1981	396,300	1.14

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
+ Class A and Class B combined adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.06	—	—
1984	0.12	—	—
1983	0.12	—	—
1982	0.12	—	2-for-1
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 2,361,046	$ 5.88
1984	2,097,592	5.23
1983	2,064,763	5.15
1982	1,697,746	4.26
1981	1,333,901	3.37

+ Based on Class A and Class B stock combined adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 6,440,665	$ 4,869,945
Cost of sales	4,515,088	3,616,507
Expenses	1,321,642	1,085,569
Interest expense	86,427	58,943
Income before taxes	$ 517,508	$ 108,826
Income taxes	230,931	28,035
Net Income	$ 286,577	$ 80,791

* Included in Costs and Expenses. Depreciation: $31,732 in 1985 and $21,771 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 16,417	$ 11,395
Accts. receiv.	783,378	1,329,403
Income tax receivable	—	169,900
Costs & earn. in exc. of billings	2,732,666	1,452,714
*Inventories	796,474	733,920
Prepaid expenses	31,699	31,119
Deferred inc. taxes	16,226	3,680
Current Assets	$ 4,376,860	$ 3,732,131
#Fixed assets	166,010	131,113
Other assets	11,450	14,350
Total Assets	$ 4,554,320	$ 3,877,594

Liabilities

	1985	1984
Notes payable	$ 911,000	$ 955,000
Accrued income taxes	228,988	—
Accts. payable	310,504	287,615
Accruals	407,554	342,650
Billings in exc. of costs	328,463	192,461
Curr. Liabilities	$ 2,186,509	$ 1,777,726
Deferred inc. taxes	6,765	2,276
+ Capital stock:		
Class A	35,189	35,126
Class B	15,000	15,000
Add. paid-in capital	288,843	287,968
Retained earnings	2,022,014	1,759,498
Total Liabilities & Shareholders' Equity	$ 4,554,320	$ 3,877,594

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.125 stated value.

Statistical Summary

%Income bef. Taxes to Sales	8.04	2.23
%Net Income to Sales	4.45	1.66
%Net Income to Equity	12.14	3.85
Sales to Inventories	8.09	6.64
Debt to Equity	0.39	0.46
Working Capital	$2,190,351	$1,952,129
Current Ratio	2.00	2.10
Shareholders' Equity	$2,361,046	$2,097,592

Centronics Data Computer Corp.

One Wall Street
Hudson, New Hampshire 03051
(603) 883-0111

Officers: Thomas G. Kamp, chairman of the board; Robert Stein, president & chief executive officer; Ronald N. Fox, v.p.-operations; Robert W. Kilcullen, Jr., v.p.-marketing, sales, & customer service; Jeffrey Weinstein, exec. v.p. & general counsel; Richard A. Williams, v.p.-engineering; Donald L. O'Bryant, v.p.-quality assurance; Edmond M. Coller, secretary.

Directors: Thomas G. Kamp, chairman; Robert Stein, Larry E. Jodsaas, William F. Buster, Herbert M. Stein, Gordon Brown, Jack T. Jacob, Robert W. Kilcullen, Jr., Stephen D. Weinroth, Jeffrey A. Weinstein.

Areas of Work: Designs, manufactures and markets matrix and line printers, teleprinters and non-impact printers for the computer, data processing and communications industries.

Subsidiaries:

Advanced Terminals, Inc.
Centronics Data Computer (UK) Ltd.
Centronics Canada Inc.
Centronics Ireland B.V.,
Centronics N.A., N.V.
Centronics Export Sales Corp.
Centronics Sales & Service Corp.
Centronics Research Inc.
Centronics Data Computer GmbH
Centronics Data Computer (France) S.A.
Centronics Data Computer (Italia)S.A.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: CEN

Sales and Earnings

	Net Revenues	Net Income †
12/29/85	$ 216,279,000	$ 648,000
12/30/84	171,504,000	(10,376)
1/1/84	164,129,000	(7,684)
1/2/83*	82,369,000	(18,609,000)
6/27/82	112,671,000	(18,309,000)
	No. of Com. Shares	Earn. per Share ‡†
12/29/85	12,366,0910	$ 0.05
12/30/84	11,461,708	—
1/1/84	11,208,230	—
1/2/83*	11,228,407	—
6/27/82	11,226,194	—

(Loss)
* 6 months.
† Including extraordinary gains of $415,000 ($0.03 per share) in 1985 and $324,000 ($0.03 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
12/29/85	$ 56,342,000	$ 4.56
12/30/84	53,115,000	4.63

1/1/84	60,766,000	5.42
1/2/83	67,761,000	6.03
6/27/82	85,969,000	7.66

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Revenues	$ 216,279	$ 171,504
Cost of sales	178,176	137,026
Expenses	33,461	35,874
Interest expense	3,514	2,643
Plant consolidation costs	—	5,800
Income (loss) bef. taxes	$ 1,128	$ (9,839)
Income taxes	895	861
Net Income (loss)	$ 233	$ (10,700)
Extraordinary gain	415	324
Net Income (loss) extraord. gain	$ 648	$ (10,376)

* Included in Costs and Expenses, Depreciation: $5,902,000 in 1985 and $5,635,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash & short-term invest.	$ 36,471	$ 17,033
Accts. receiv., net	31,379	30,212
Amts. due from stockholders	1,070	980
*Inventories	40,215	64,299
Prepaid expenses & other assets	1,264	1,158
Current Assets	$ 110,399	$ 113,682
#Fixed assets	24,563	28,471
Intangibles	2,525	2,267
Other assets	487	463
Deferred debenture	1,793	—
Total Assets	$ 139,767	$ 144,883

Liabilities
(000's)

Notes payable	$ —	$ 1,136
Long-term debt, curr.	143	36,869
Accts. payable	16,365	20,826
Amts.due to stockholders	428	862
Accruals	14,149	17,821
Income taxes	5,649	5,598
Curr. Liabilities	$ 36,734	$ 83,112
Long-term debt	46,691	8,656
+Common stock	124	115
Add. paid-in capital	74,897	71,815
Accum. deficit	(16,720)	(17,368)
Unearned comp.	(1,959)	(1,447)
Total Liabilities & Shareholders' Equity	$ 139,767	$ 144,883

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Income bef. taxes to sales	0.52	—
% Net income to sales	0.11	—
% Net income to empty	0.41	—
Working Capital	$73,665,000	$30,570,000
Current Ratio	3.01	1.37
Shareholders' Equity	$56,342,000	$53,115,000

Cetec Corporation

9900 Baldwin Place
El Monte, California 91731
(818) 442-8840

Mailing Address:

P.O. Box 5348
El Monte, California 91734

Officers: Hugh P. Moore, chairman; Robert A. Nelson, president & chief exec. officer; Rodney K. Madsen, Rodney C. Minium, Richard P. Drake, v.p.'s; George M. McCollister, secretary & treasurer; Theodore J. Budzan, Paul E. Sexton, asst. secretaries.

Directors: Hugh P. Moore, chairman; Richard A. Campbell, Robert C. Sherburne, John E. Fields, Richard C. Fuller, Robert A. Nelson, Edwin B. Kanner.

Areas of Work: Major business segments include communications and related products, and industrial products. Operations in the communications segment consist primarily of the design, manufacture and marketing of commercial sound products, wireless microphones, communication signaling products, professional audio duplicating equipment, loudspeakers, automatic pilots to the boating industry, computer software systems for distributors and manufacturers, and radio and television broadcast antennas. The industrial segment produces rigid, semi-rigid, and flexible extruded vinyl products having numerous applications, and a variety of injection molded products.

Divisions and Subsidiaries:

Cetec Anco Division
1720 North Santa Anita Avenue
South El Monte, California 91733
(818) 579-1900
Manufactures extruded vinyl products for construction, model homes, electronic and furniture industries.

Cetec Benmar Division
3000 West Warner Avenue
Santa Ana, California 92704
(714) 540-5120
Produces automatic pilots for the pleasure yachting and commercial markets.

Cetec Gauss Division
9130 Glenoaks Boulevard
Sun Valley, California 91352
(213) 875-1900
Professional audio and duplicating equipment, and loudspeakers.

Cetec Vega Division
P.O. Box 5348
9900 Baldwin Place
El Monte, California 91734
(818) 442-0782
Products include wireless microphone systems, microphones, tone and analog telemetry systems and components.

Cetec Antennas Division
6939 Power Inn Road
Sacramento, California 95828
(916) 383-1177
Produces circularly polarized FM and TV antennas, FM antennas, harmonic filters, military antennas, match diplexers, VSB filters, filterplexers, and special supporting towers.

Cetec International Ltd.
Unit 15, North Field Industrial Estate
Beresford Avenue
Wembley, Middlesex, England HAO 1YB
Markets and services U.S. built Cetec products lines in Europe.

Cetec Guardian Division
1428 North Manzanita Street
Orange, California 92667
(714) 633-3092
Supplies injection-molded plastic containers and components to the health care, and electronics industries.

Cetec Ivie
1366 West Center Street
Orem, Utah 84057
(801) 224-1800

Cetec Raymer
73155 Fulton Avenue
North Hollywood, California 91605
(818) 764-3434

Cetec Software Services
13047 Artesia Boulevard, Suite 204
Cerritos, California 90701
(213) 926-6537

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): American, Pacific

Ticker Symbol: CEC

Number of Employees:

1985	583	1982	569
1984	644	1981	543
1983	677		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 33,598,000	$ (1,258,000)
1984	35,859,000	1,961,000
1983	34,291,000	1,415,000
1982	27,789,000	889,000
1981	28,560,000	1,140,000

	No. of Com. Shares #	Earn. per Share #
1985	2,212,000	$ —
1984	2,269,000	0.86
1983	2,296,000	0.61
1982	2,214,000	0.40
1981	2,256,000	0.50

(Loss)
‡ Of continuing operations only.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Cetec broadcast group	$ 23,233,000	$ 22,416,000
Cetec industrial group	10,385,000	13,440,000
Miscellaneous & eliminations	(20,000)	3,000
Total	$ 33,598,000	$ 35,859,000

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1985	$ 13,413,000	$ 6.06
1984	16,250,000	7.16
1983	15,001,000	6.53
1982	13,845,000	6.25
1981	13,430,000	5.95

‡ After allowing for preferred shares at a redemption value of $10 per share.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 33,598,000	$ 35,859,000
Cost of sales	23,110,000	24,830,000
Expenses	8,076,000	8,383,000
Interest expense	823,000	772,000
Income before taxes	$ 1,589,000	$ 1,874,000
Income taxes	486,000	829,000
Inc. - cont. oper.	$ 1,103,000	$ 1,045,000
Inc. (loss)-discont. oper.	(2,361,000)	916,000
Net Income (Loss)	$ (1,258,000)	$ 1,961,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,120,000 in 1985 and $968,000 in 1984.

Assets

	1985	1984
Cash	$ 2,801,000	$ 1,778,000
Accts. receiv., net	3,587,000	7,713,000

Refund. inc. taxes	1,839,000	—
*Inventories	3,313,000	14,008,000
Prepaid expenses	995,000	864,000
Assets of discont. oper.	6,384,000	—
Current Assets	$ 18,919,000	$ 24,363,000
#Fixed assets	5,856,000	6,714,000
Other assets	148,000	287,000
Intangibles	310,000	450,000
Total Assets	$ 25,233,000	$ 31,814,000

Liabilities

Long-term debt, curr.	$ 439,000	$ 474,000
Accts. payable	1,812,000	4,116,000
Accruals	1,669,000	1,974,000
Accrued payroll	1,041,000	1,460,000
Income taxes	226,000	326,000
Curr. Liabilities	$ 5,187,000	$ 8,350,000
Long-term debt	5,944,000	6,386,000
Deferred inc. taxes	539,000	520,000
Deferred credit	40,000	148,000
+ Preferred stock	110,000	160,000
+ + Common stock	636,000	630,000
Add. paid-in capital	5,612,000	5,424,000
Retained earnings	7,165,000	10,196,000
Total Liabilities & Shareholders' Equity	$ 25,233,000	$ 31,814,000

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $10 par value.
+ + No par value.

Statistical Summary

%Net Income to Equity	—	11.95
Sales to Inventories	10.14	2.56
Debt to Equity	0.47	0.42
Working Capital	$13,732,000	$16,013,000
Current Ratio	3.65	2.92
Shareholders' Equity	$13,523,000	$16,410,000

Chelsea Industries, Inc.

1360 Soldiers Field Road
Boston, Massachusetts 02135
(617) 787-9010

Officers: Ronald G. Casty, chairman of the board & president; Norman S. Dunn, exec. v.p. & treas.; David L. Phillips, v.p.-plastic products; Edward Kahn, corp. controller; Emil S. Bernstein, v.p.-finance & corp. development; Milton A. Graff, v.p.-control & administration; Robert M. Rosen, clerk; Gerald A. Denhardt, v.p.-distribution.

Directors: Ronald G. Casty, Robert D. Buzzell, Daniel Coven, Gilbert Freeman, David L. Phillips, James S. Shulman, Norman S. Dunn, Harold R. Logan, A.M. MacKinnon.

Divisions and Subsidiaries:

Distribution Group

RS Electronics, Inc.
Livonia, Michigan

Olive/RS Electronics
St. Louis, Missouri

Fairmont Electronic Sales Corp.
Hauppauge, New York

R^2 Electronics
Andover, Massachusetts

Broad-line distributors of industrial electronic components sold primarily to industrial organizations, OEM's and dealers. Products include semiconductors, integrated circuits, electromechanical devices (such as relays, switches, connectors, wire and cable), passive components (including resistors and capacitors) and other such related products as micro-systems, computers and test instruments.

Industrial Products Group

Ideal Tape Co. Division
Lowell, Massachusetts 01853
(617) 458-6833
St. Louis, Missouri 63103
Renaix, Belgium

Manufactures pressure sensitive tapes used to reinforce footwear and other adhesive products used in applications for the computer, athletic, and heating, ventilating and air conditioning industries.

Progressive Service Company
St. Louis, Missouri 63103
(314) 531-4300
Harrisburg, Pennsylvania 17105
Jacksonville, North Carolina 28540
Los Angeles, California

Produces cutting dies used by footwear, apparel, paper, light wood and metal manufacturers.

The Plastics Group

Maynard Plastics, Inc.
Salem, Massachusetts 01970
(617) 744-8000
Pittsburgh, Pennsylvania and Peabody, Massachusetts

Manufactures flexible and rigid plastic profile extrusions used in applications including simulated wood trim, weather stripping, trim for luggage and automobile interiors, carriers for integrated circuits, plastic net for product bags, garment bags and high density retail merchandise bags. Also extrudes rigid vinyl replacement window systems components.

Webster Industries, Inc.
Macomb, Illinois
Montgomery, Alabama
Peabody, Massachusetts 01960
(617) 532-2000

Polyethylene film for food, textile, dry cleaning and other packaging requirements.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: CHD

Sales and Earnings

	Net Sales #	Net Income
1985	$ 184,527,000	$ 6,423,000
1984	199,605,000	5,784,000
1983	145,505,000	5,678,000
1982	143,409,000	5,174,000
1981	158,049,000	3,641,000

	No. of Com. Shares +	Earn. per Share +
1985	2,562,000	$ 2.51
1984	2,634,000	2.20
1983	2,654,000	2.14
1982	2,209,000	2.34
1981	2,256,000	1.61

Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Plastic prods.	$ 110,162	$ 105,917
Narrow fabrics	38,209	60,055
Distribution	36,156	33,633
Total	$ 184,527	$ 199,605

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.705	—	—
1984	0.66	—	—
1983	0.645	—	—
1982	0.60	—	—
1981	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 50,708,000	$ 19.79
1984	45,724,000	17.36
1983	44,235,000	16.67
1982	35,291,000	15.98
1981	44,673,000	19.80

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	9/28/85	9/29/84
Net sales	$ 184,527	$ 199,605
Cost of sales	125,085	145,674
Expenses	46,118	42,530
Interest & debt exp.	438	992
Income before taxes	$ 12,886	$ 10,409
Income taxes	6,463	4,625
Net Income	$ 6,423	$ 5,784

* Included in Costs and Expenses, Depreciation: $3,270,000 in 1985 and $3,071,000 in 1984.

Assets
(000's)

As of	9/28/85	9/29/84
Cash	$ 20,217	$ 5,043
Accts. receiv., net	24,351	28,935
*Inventories	24,295	30,366
Prepaid expenses	2,792	3,413
Current Assets	$ 71,655	$ 67,757
#Fixed assets	19,488	17,883
Other assets	3,106	2,367
Intangibles	2,632	3,113
Total Assets	$ 96,881	$ 91,120

Liabilities
(000's)

Long-term debt, curr.	$ 1,860	$ 1,850
Accts. payable	16,189	18,576
Accruals	4,974	5,554
Income taxes	3,783	3,100
Curr. Liabilities	$ 26,806	$ 29,080
Long-term debt	17,631	14,825
Deferred inc. taxes	1,736	1,491
+ Common stock	3,377	3,364
Add. paid-in capital	13,049	12,631
Retained earnings	41,941	37,325
Treasury stock	(7,659)	(7,596)
Total Liabilities & Shareholders' Equity	$ 96,881	$ 91,120

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.98	—
%Net Income to Sales	3.48	—
%Net Income to Equity	12.67	12.65
Sales to Inventories	7.60	6.57
Debt to Equity	0.38	0.07
Working Capital	$44,849,000	$38,677,000
Current Ratio	2.67	2.33
Shareholders' Equity	$50,708,000	$45,724,000

Chrysler Corporation

P.O. Box 1919
Detroit, Michigan 48288
(313) 956-5252

Officers: Lee A. Iacocca, chairman of the board & chief exec. officer; Gerald Greenwald, chairman-Chrysler Motors; Harold K. Sperlich, president-Chrysler Motors; Richard E. Dauch,

Chrysler Corporation

exec. v.p.-manufacturing-Chrysler Motors; Stephan Sharf, exec. v.p.-international business development; Bennett E. Bidwell, vice chairman; R.S. Miller, Jr., vice chairman; Joseph A. Campana, v.p.-marketing-Chrysler Motors; Robert A. Perkins, v.p.-Washington affairs; Robert M. Sinclair, v.p.-engineering; Christopher J. Steffen, exec. v.p.-finance-Chrylser Motors; Ronald L. Stewart, v.p.-body and assembly operations; Baron K. Bates, v.p.-public relations; George F. Butts, v.p.-quality & productivity; M.J. Closs, v.p.-Chrysler Motors, pres.-Chrysler Canada; Thomas G. Denomme, v.p.-corp. strategic planning; Richard Goodyear, v.p., gen. counsel & sec.; E.T. Pappert, group v.p.-sales, Chrysler Motors; L. Donald Gschwind, v.p.-program management-Chrysler Motors; Jerry L. Mathis, v.p.-Chrysler Motors & managing dir.-Chrysler de Mexico S.A.; Thomas W. Miner, v.p.-Chrysler Motors; David R. Platt, v.p.-procurement & supply; Lee H. Runk, v.p.-component business operations; Glenn E. White, v.p.-personnel & organization; John D. Withrow, Jr., exec. v.p.-product development; Frederick W. Zuckerman, v.p. & treasurer; Erick A. Reickert, v.p.-advance product planning; T.C. Gale, v.p.-product design, Chrysler Motors; G.J. Giocondi, v.p.-service & parts operations, Chrysler Motors; A.P. St. John, v.p.-industrial relations, Chrysler Motors; J.L. Tolley, v.p.-public affairs; J.B. York, v.p.-advance manufacturing operations, Chrysler Motors.

Directors: Lee A. Iacocca, chairman of the board; J. Paul Bergmoser, A. Jean de Grandpre, Najeeb E. Halaby, Anthony J.A. Bryan, Harold K. Sperlich, Joseph A. Califano, Jr., Stephan Sharf, J. Paul Sticht, Gerald Greenwald, Lilyan H. Affinito, Bennett E. Bidwell, Ronald H. Grierson, Juanita M. Kreps, William G. Milliken, Malcolm T. Stamper, Owen F. Bieber, John H. Johnson, Robert J. Lanigan, Robert S. Miller, Jr., Allen E. Paulson.

Areas of Work: Products include cars, trucks, automotive parts and accessories, defense and space products, outboard motors, inboard marine engines and industrial engines, power metal products and chemical products.

Operational Groups:

Chrysler Motors
Chrysler Financial Corporation
Gulfstream Aerospace Corporation
Chrysler Technologies

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
New York, New York

Montreal Trust Company
Montreal and Toronto, Canada

Stock Exchange(s): New York, Midwest, Philadelphia, Pacific, Montreal, Toronto, Paris, London, Frankfurt, Geneva, Basel, Zurich.

Ticker Symbol: C

Number of Employees:

1985	107,850	1982	73,714
1984	100,435	1981	87,825
1983	81,478		

Plant Footage:*

1985	57,092,500 sq.ft.	1982	N.A.
1984	55,788,400	1981	61,523,000
1983	56,521,900		

* In United States only.
N.A. - Not Available.

Sales and Earnings

	Net Sales + (000's)	Net Income † (000's)
1985	$ 21,255,500	$ 1,635,200
1984	19,572,700	2,380,000
1983	13,263,800	700,900
1982	10,056,500	170,100
1981	9,971,600	(475,600)

	No.of Com. Shares ‡	Earn. per Share ‡†
1985	174,284,000	$ 9.38
1984	185,762,000	12.59
1983	174,059,000	3.86
1982	115,050,000	1.23
1981	105,450,000	—

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.
† Including extraordinary gains of $883,900,000 ($4.73 per share) in 1984, $399,000,000 ($2.29 per share) in 1983 and $66,900,000 ($0.58 per share) in 1982.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.67	—	3-for-2
1984	0.57	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 4,215,300	$ 24.19
1984	3,305,900	17.80
1983	1,143,100	6.57
1982	(329,800)	—
1981	(539,500)	—

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 21,255,500	$ 19,572,700
Eq. in net earn. of unconsol. subsid.	255,900	126,100
Other income	41,700	18,400
Total income	$ 21,553,100	$ 19,717,200
Cost of sales	17,467,700	15,528,200
Expenses	1,144,400	987,700
Depreciation & amortization	476,300	554,400
Pension benefit	219,800	267,300
Interest (income)	(124,900)	(50,700)
Inc. bef. taxes	$ 2,369,800	$ 2,430,300
Income taxes	734,600	934,200
Net Income	$ 1,635,200	$ 1,496,100
Extraord. gain	—	883,900
Net Income & extraord. gain	$ 1,635,200	$ 2,380,000

Assets
(000's)

As of Dec. 31	1985	1984
Cash & time deposits	$ 147,600	$ 75,200
Marketable securities	2,649,900	1,624,900
Accts. receiv. net	207,500	332,200
*Inventories	1,862,700	1,625,900
Prepaid pension expense	260,000	243,000
Prepaid expenses	185,800	78,700
Current Assets	$ 5,313,500	$ 3,979,900
Investments & other assets	2,652,200	1,369,600
#Fixed assets	4,639,600	3,713,200
Total Assets	$ 12,605,300	$ 9,062,700

Liabilities
(000's)

Long-term debt, curr.	$ 101,600	$ 42,800
Accts. payable	2,504,500	2,323,000
Short-term debt	195,300	6,700
Dealer & cust. allow.	393,200	361,200
Employee comp.	730,600	890,000
Income taxes	117,100	13,600
Other taxes	195,700	180,700
Other liabilities	491,200	297,700
Curr. Liabilities	$ 4,729,200	$ 4,115,700
Long-term debt	2,366,100	760,100
Def. empl. benefit plan	298,400	362,300
Other liab.	604,500	497,000
Deferred income taxes	391,800	21,700
+Common stock	153,200	123,900
Add paid-in capital	1,943,200	2,325,300
Retained earnings	2,153,300	921,200
Treasury Stock	(34,400)	(64,500)
Total Liabilities & Shareholders' Equity	$ 12,605,300	$ 9,062,700

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.15	12..42
%Net Income to Sales	7.69	7.64
%Net Income to Equity	38.79	45.26
Sales to Inventories	11.41	12.04
Debt to Equity	0.56	0.24
Working Capital	$ 584,300,000	$ 135,800,000
Current Ratio	1.12	0.97
Shareholder's Equity	$4,215,300,000	$3,305,900,000

Ciprico Inc.

2955 Xenium Lane
Plymouth, Minnesota 55441
(612) 559-2034

Officers: Ronald B. Thomas, chairman, president & chief exec. officer; Michael L. Quealy, v.p.-research & development & secretary; James P. Henninger, v.p.-finance & administration & chief financial officer.

Directors: Ronald B. Thomas, chairman of the board; Michael L. Quealy, W. Ray Allen, Sherman J. Kemmer, Douglas M. Pihl, Donald H. Soukup.

Areas of Work: Develops and manufactures high-performance controller boards for the microcomputer original equipment manufacturer market.

Subsidiaries:

Tech-Source Laboratories, Inc.
1175 Spring Center South Blvd.
Suite D
Altamonte Springs, Florida 32714

Develops and designs high-performance microcomputer products.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPCI (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1985	$ 8,171,392	$ 821,208
1984	7,618,998	1,361,341
1983	3,586,475	596,462
1982	1,571,116	180,553
1981	339,235	(140,497)

	No. of Com. Shares ‡	Earn. per Share †‡
1985	2,058,131	$ 0.40
1984	2,057,775	0.66
1983	2,042,936	0.30
1982	1,966,764	0.12
1981	622,380	—

(Loss)
† Including extraordinary gain of $67,000 ($0.03 per share) in 1982.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	11-for-10

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 9,753,265	$ 4.74
1984	8,901,058	4.33
1983	7,280,892	3.56
1982	18,630	0.01
1981	(161,923)	—

(Deficit)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 8,171,392	$ 7,618,998
Cost of sales	3,536,635	3,027,834
Expenses	3,864,981	2,797,096
Interest expense	—	2,512
Interest income	(550,753)	(569,785)
Loss on market secur.	99,321	—
Income before taxes	$ 1,221,208	$ 2,361,341
Income taxes	400,000	1,000,000
Net Income	$ 821,208	$ 1,361,341

* Included in Costs and Expenses, Depreciation: $327,677 in 1985 and $170,048 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 398,888	$ 153,833
Temp. cash invest.	3,195,594	5,349,908
Marketable securities	2,649,224	500,060
Accts. receiv., net	1,276,447	1,615,100
Refundable taxes	32,069	—
Other receivables	53,347	94,998
*Inventories	1,231,019	1,571,866
Other curr. assets	54,438	17,579
Current Assets	$ 8,891,026	$ 9,303,344
#Fixed assets	1,168,928	952,574
Other assets	73,000	—
Total Assets	$ 10,132,954	$ 10,255,918

Liabilities

	1985	1984
Accts. payable	$ 194,883	$ 337,686
Accrued compensation	103,872	138,922
Other accruals	23,934	86,966
Curr. Liabilities	$ 322,689	$ 1,274,860
Deferred inc. taxes	57,000	80,000
+Common stock	6,956,624	6,925,625
Retained earnings	2,796,641	1,975,433
Total Liabilities & Shareholders' Equity	$ 10,132,954	$ 10,255,918

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	14.94	30.99
%Net Income to Sales	10.05	17.87
%Net Income to Equity	8.42	15.29
Sales to Inventories	6.64	4.85
Working Capital	$8,568,337	$8,028,484
Current Ratio	27.55	7.30
Shareholders' Equity	$9,753,265	$8,901,058

Clarostat Mfg. Co., Inc.

Washington Street
Dover, New Hampshire 03820
(603) 742-1120

Officers: Glen E. Swanson, chairman of the board and president; Russell E. White, exec. v.p.; Frank L. Ward, v.p.; Arthur Richenthal, secretary & treasurer.

Directors: Steven F. Gross, Arthur Richenthal, Glen E. Swanson, Russell E. White.

Areas of Work: Engaged in the manufacture and sale of resistors, rheostats, potentiometers, resistor networks, switches in both wire wound and conductive plastic forms. Also engaged in the design, development and manufacture of electromechanical switching devices.

Subsidiaries:

Clarostat-Richmond, Inc.
Richmond, Maine 04357
(603) 742-1120

Clarostat-Gorham, Inc.
Gorham, Maine 04038
(603) 742-1120

Clarostat-Norway, Inc.
Norway, Maine 04062
(603) 742-1120

Mason Electric Company, Inc.
440 West Los Feliz Road
Glendale, California 90024
(818) 240-6800

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: CLR

Number of Employees:

1985	624	1982	700
1984	688	1981	750
1983	629		

Plant Footage:

1985	384,000 sq. ft.	1982	384,000
1984	384,000	1981	384,000
1983	384,000		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 27,175,414	$ 1,913,085
1984	27,601,007	1,765,959
1983	23,283,551	1,268,165
1982	21,594,526	737,603
1981	21,483,507	638,261

	No. of Com. Shares +	Earn. per Share +
1985	466,977	$ 4.03
1984	476,094	3.71
1983	476,094	2.66
1982	508,493	1.45
1981	554,194	1.15

‡ Includes other revenues; of continuing operations only.
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.90	—	—
1984	0.70	—	—
1983	0.30	—	—
1982	0.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 11,883,509	$ 25.45
1984	10,738,085	22.55
1983	9,305,392	19.55
1982	8,180,055	16.09
1981	9,362,055	16.89

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended	12/28/85	12/29/84
Net sales & other revenues	$ 27,175,414	$ 27,601,007
Cost of sales	18,736,328	19,067,707
Expenses	4,084,068	4,316,186
Research & develop.	642,946	659,641
Interest expense	23,987	21,014
Income before taxes	$ 3,688,085	$ 3,536,459
Income taxes	1,775,000	1,770,500
Net Income	$ 1,913,085	$ 1,765,959

* Included in Costs and Expenses, Depreciation. $517,837 in 1985 and $501,394 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	$ 1,814,343	$ 576,284
Cert. of deposit	2,275,000	1,578,000
Market. secur.	691,174	641,774
Accts. receiv., net	3,210,343	3,592,139
*Inventories	3,664,870	4,480,558
Prepaid expenses & sundry receiv.	530,754	612,081
Current Assets	$ 12,186,484	$ 11,480,836
#Fixed assets	2,167,640	2,104,989
Total Assets	$ 14,354,124	$ 13,585,825

Liabilities

	12/28/85	12/29/84
Long-term debt, curr.	$ 30,000	$ 30,000
Accts. payable	514,290	526,670
Accrued payrolls & other expenses	1,282,966	1,412,176
Income taxes	114,059	364,694
Curr. Liabilities	$ 1,941,315	$ 2,333,540
Long-term debt	240,000	270,000
Deferred inc. taxes	289,300	244,200
+Common stock	466,977	476,094
Add. paid-in capital	825,695	841,815
Retained earnings	10,590,837	9,420,176
Total Liabilities & Shareholders' Equity	$ 14,354,124	$ 13,585,825

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.57	12.81
%Net Income to Sales	7.04	6.40
%Net Income to Equity	16.10	16.45
Debt to Equity	0.02	0.03
Working Capital	$10,245,169	$ 9,147,296
Current Ratio	6.28	4.92
Shareholders' Equity	$11,883,509	$10,738,085

CMX Corporation

(60.0% owned by Chryon Corporation)

2230 Martin Avenue
Santa Clara, California 95050
(408) 988-2000

Officers: Sam R. Goodman, chairman, president & chief exec. officer; Stanley D. Becker, v.p.; Richard G. Canfield, v.p.; Lawrence Weiland, v.p.; Craig M. Hutchison, acting secretary, treasurer & controller.

Directors: Sam R. Goodman, chairman; Michael H. Gault, E. Laurence Gay, Alfred O.P. Leubert, Burton I. Lippman, John H. Picou, Leon Weissman, Joseph L. Scheuer.

CMX Corporation

Areas of Work: Engaged in the design, manufacture and installation of computer-assisted videotape editing systems for network television facilities, educational and commercial television stations, governmental agencies, and post-production facilities that provide editorial services in support of television broadcast operations.

Transfer Agent(s):

Bank of America
Corporation Agency Service Center
San Francisco, California 94137

Stock Exchange(s): American

Ticker Symbol: CXC

Sales and Earnings

	Net Sales +	Net Income + ‡
1985*	$ 4,554,000	$ (1,012,000)
1984	9,716,000	(2,260,000)
1983	10,033,000	(1,390,000)
1982	11,433,000	(4,915,000)
1981	10,775,000	(320,000)

	No. of Com. Shares	Earn. per Share †
1985*	3,793,389	$ —
1984	3,793,389	—
1983	2,294,000	—
1982	2,286,000	—
1981	2,190,000	—

(Loss)
* 6 months.
+ Of continuing operations only.
‡ Including extraordinary gain of $162,000 ($0.07 per share) in 1984.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,044,000	$ 0.11
1984	2,004,000	0.53
1983	1,440,000	0.63
1982	2,060,000	0.90
1981	6,075,000	2.77

Income Account *

Year ended Dec. 31	1985 (6 months)	1984
Net sales	$ 4,554,000	$ 9,716,000
Cost of sales	2,641,000	5,737,000
Expenses	2,585,000	4,774,000
Interest expense	288,000	860,000
Special charges	52,000	767,000
Net Loss	$ (1,012,000)	$ (2,422,000)
Extraord. gain	—	162,000
Net Loss & extraord. gain	$ (1,012,000)	$ (2,260,000)

* Included in Costs and Expenses, Depreciation and Amortization: $171,000 in 1985 and $415,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 124,000	$ 1,497,000
Accts. receiv., net	2,405,000	3,544,000
*Inventories	2,950,000	2,652,000
Prepaid expenses	267,000	107,000
Current Assets	$ 5,746,000	$ 7,800,000
#Fixed assets	1,037,000	852,000
Other assets	100,000	119,000
Total Assets	$ 6,883,000	$ 8,771,000

Liabilities

Notes payable	$ 1,139,000	$ 1,552,000
Accts. payable	923,000	1,538,000
Accruals	708,000	505,000
Sales tax payable	223,000	248,000
Emp. contracts - former off.	187,000	231,000
Accrued salaries and wages	221,000	220,000
Long-term debt, curr.	327,000	298,000
Curr. Liabilities	$ 3,728,000	$ 4,592,000
Long-term debt	2,065,000	2,037,000
Emp. contracts - former off.	46,000	138,000
+Common stock	13,142,000	13,090,000
Accumulated deficit	(12,098,000)	(11,086,000)
Total Liabilities & Shareholders' Equity	$ 6,883,000	$ 8,771,000

* At lower of cost (FFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	1.54	3.66
Debt to Equity	3.07	1.79
Working Capital	$2,018,000	$3,208,000
Current Ratio	1.54	1.70
Shareholders' Equity	$1,044,000	$2,004,000

Cognitronics Corporation

25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Officers: David H. Shepard, president and chief executive officer; William J. Lawless, Jr., chairman; Matthew J. Flanigan, exec. v.p. & chief operating officer; Edward E. Alexander, Jr., sr. v.p.; Edward J. Gushue, v.p.-international operations; D. Clark Murphy, v.p.-govt. & OEM sales; Gerard Insolia, v.p.-engineering; Alton B. Duncanson, v.p.-support services; Harold F. Mayer, secretary & treasurer.

Directors: David H. Shepard, Edward J. Gushue, William J. Lawless, Jr., Richard K. Van Nostrand, Edward S. Davis, Anthony E. Fahnestock, Matthew J. Flanigan.

Areas of Work: The Company operates in three principal industries: computer related products and services, manufacture of machined parts, and printing. The Company's computer related products and services division manufactures and markets Optical Character Recognition and Mark Read (OCR/OMR) equipment and voice response devices and specialized turnkey computer systems. The Company's machined parts division manufactures precision machined parts for the Company's computer related products and services division as well as other manufacturers. This includes the design and development of special tools, dies, and prototype parts, and the volume production of precision parts. The Company's printing division prints business forms, including OCR/OMR forms.

Divisions and Subsidiaries:

OCR/OMR Scanning Divisions
Data Scan Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Speechmaker Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Manufactures and markets hardware that allows telephone companies central offices and computers to provide direct voice response of the data retained in their stored memories.

Stamford Tool & Die-Customatic, Inc.
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Manufactures machine parts and designs and develops special tools, dies, and phototype parts with heavy emphasis on high tolerance precision works.

American Computer Corporation

The company has developed a multi-user, true data base software system of its own design and has been applying it to the accounting and patient information management problems of physician and dentist.

Reed Printing, Inc.

Commercial printer with full range of presses and equipment for printing business forms.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: CGN

Number of Employees:

1985	211

Plant Footage:

1985	88,860 sq. ft.

Sales and Earnings

	Revenues +	Net Income
1985	$ 16,115,000	$ (331,000)
1984	14,876,757	(1,859,380)
1983	13,833,466	894,916
1982	11,796,954	437,129
1981	10,505,350	356,136

	No. of Com. Shares	Earn. per Share ‡
1985	2,145,057	$ —
1984	2,142,120	—
1983	2,085,015	0.48
1982	1,568,139	0.28
1981	1,557,466	0.23

(Loss)
+ Includes net sales, rentals and other income.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 9,782,000	$ 4.56
1984	10,102,978	4.72
1983	11,631,148	5.58
1982	4,891,913	3.12
1981	4,424,685	2.84

Income Account

Year ended Dec. 31	1985	1984
Net sales	$ 13,948,000	$ 12,964,909
Other income	2,167,000	1,911,848
Total income	$ 16,115,000	$ 14,876,757
Cost of sales & service	10,740,000	9,995,743
Expenses	5,615,000	5,699,851
Interest expense	190,000	62,725
Cost in exc. of assets acq.	—	1,652,818
Loss bef. taxes	$ (430,000)	$ (2,534,380)
Tax credit	(99,000)	(675,000)
Net Loss	$ (331,000)	$ (1,859,380)

Assets

As of Dec. 31	1985	1984
Cash	$ 234,000	$ 241,817
Accts. receiv., net	4,100,000	3,515,994
Refundable income taxes	—	615,226
*Inventories	5,327,000	4,623,616
Investments, curr.	266,000	211,549
Other assets	188,000	290,143
Deferred income taxes	—	361,000
Current Assets	$ 10,115,000	$ 9,859,345
Investments, non-curr.	502,000	320,913
#Fixed assets	3,237,000	3,365,666
Deposits & other assets	445,000	506,609
Total Assets	$ 14,299,000	$ 14,052,533

Liabilities

Notes payable	$ 2,305,000	$ 1,000,000
Accts. payable	1,042,000	1,132,985
Income taxes	19,000	—
Accruals	887,000	941,510'
Due to affiliates	—	200,860
Long-term debt, curr.	83,000	66,950
Curr. Liabilities	$ 4,336,000	$ 3,342,305
Deferred income taxes	—	427,000
Long-term debt	181,000	180,250
+ Common stock	429,000	428,424
Add. paid-in capital	12,891,000	12,881,303
Deficit	(3,538,000)	(3,205,749)
Total Liabilities & Shareholders' Equity	$ 14,299,000	$ 14,052,533

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

Sales to Inventories	2.62	2.80
Debt to Equity	0.25	0.12
Working Capital	$5,779,000	$ 6,517,040
Current Ratio	2.33	2.95
Shareholders' Equity	$9,782,000	$10,102,978

Coherent, Inc.

3210 Porter Drive
P.O. Box 10321
Palo Alto, California 94303
(415) 493-2111

Officers: James L. Hobart, chairman of the board; Henry E. Gauthier, president & chief exec. officer; John C. Moore, v.p. & gen. mgr.-Medical Group; Robert J. Quillinan, v.p. & chief financial officer; Donald W. Bennett, v.p. & president-Coherent General; Ronald M. Paitich, v.p. & gen. mgr.-Components Group; Albert D. Battista, v.p. & v.p.-Coherent General; Lawrence W. Sonsini, secretary; Dennis Bucek, treasurer & asst. secretary.

Directors: James L. Hobart, Franklin P. Johnson, Jr., Theo H. McCourtney, Jr., Henry E. Gauthier, Charles W. Cantoni, Thomas Sloan Nelsen.

Areas of Work: Design, manufacture and sale of commercial lasers, optics, accessories and laser-based products for medical, construction, scientific and industrial markets.

Divisions and Subsidiaries:

Medical Group
3270 W. Bayshore Road
P.O. Box 10122
Palo Alto, California 94303
(415) 858-2250

Develops, manufactures and markets laser instruments for both the diagnosis and treatment of illness.

Components Group
2301 Lindbergh Street
Auburn, California 95603
(916) 823-9550

Develops and manufactures standard products which combine state-of-the-art electronics with technologies in lasers and optics for OEM and industrial applications. Products include scanners for reading Universal Product Code (UPC) labels in supermarket electronic point-of-sale systems, and bar code readers.

Scanning Systems Division
3750 Monroe Avenue
Pittsford, New York 14534
(716) 248-8480

Prototype and special purpose lenses to the optical instrument field and to a variety of lens users; laser scanners and laser accessories, optical accessories used with lasers and associated technologies.

Lambda Physik GmbH
Hans Boeckler Strasse 12
3400 Gottingen, West Germany
0551-69380

Coherent Japan Company, Ltd.
203 Crescent Plaza
4-6 Minami-Aoyama 2-Chome
Akasaka, Minato Ku
Tokyo 107, Japan
(03)-402-1963

Coherent General, Inc.
1 Picker Road
Sturbridge, Massachusetts 01566
(617) 347-2681

Coherent (UK) Ltd.
Cambridge Science Park
Milton Road
Cambridge CB4 4BH, England
(0223) 68501

Coherent GmbH
Senefelfer Str. 10
6074 Rodermark 2
Ober-Roden, West Germany

Lambda Physik
298 Great Road
Acton, Massachusetts 01720
(617) 263-1100

Coherent General GmbH
Hertzstrasse 6
8047 Munchen (Karlsfeld)
West Germany
81-31-9021

Laser Systemes SA
3a 15, Rue Denis-Papin
F-95250 Beauchamp
France
13- 995-79-11

Coherent General S.A.
222 Ave. de Broqueville
B-1200 Brussels
Belgium
2-771-21-66

Coherent Miyama Co., Ltd.
3537 Bijogi
Toda-Shi
Saitama 335
Japan
(484) 21-8531

Coherent Kowa, Ltd.
24-3, Nishi-Hashimoto-1-Chome
Sagiamihara-SHi, Kanagawa-Ken
Japan
(47)71-1672

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COHR (NASDAQ)

Number of Employees:

1985	1,523	1982	1,238
1984	1,303	1981	1,160
1983	1,164		

Sales and Earnings

	Net Sales	Net Income
1985	$ 131,680,000	$ 7,431,000
1984	111,406,000	12,932,000
1983	91,303,000	4,042,000
1982	80,341,000	(716,000)
1981	69,448,000	1,631,000

	No. of Com. Shares +	Earn. per Share #
1985	7,820,000	$ 0.92
1984	7,626,000	1.65
1983	7,348,000	0.58
1982	5,895,000	—
1981	5,841,000	0.29

(Loss)
+ Adjusted to reflect stock splits.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Electro-Optical Prods.	$ 96,899,000	$ 78,187,000
Medical Prods.	48,164,000	45,253,000
Intersegment sales	(13,383,000)	(12,034,000)
Total	$ 131,680,000	$ 111,406,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	3-for-2
1983	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 80,418,000	$ 10.28
1984	69,532,000	9.12
1983	54,489,000	7.42
1982	30,718,000	5.21
1981	31,114,000	5.33

† Adjusted to reflect stock splits.

Income Account *

Year ended	9/28/85	9/29/84
Net sales	$ 131,680,000	$ 111,406,000
Cost of sales	75,723,000	64,574,000
Expenses	47,096,000	37,896,000
Interest income	(2,707,000)	(2,493,000)
Interest expense	801,000	558,000
For. exch. loss (gain)	(44,000)	254,000
Other income	(440,000)	(1,034,000)
Non-recurr. gains	(1,382,000)	(6,517,000)
Income before taxes	$ 12,633,000	$ 18,168,000
Income taxes	5,202,000	5,236,000
Net Income	$ 7,431,000	$ 12,932,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,398,000 in 1985 and $2,262,000 in 1984.

Assets

As of	9/28/85	9/29/84
Cash	$ 16,646,000	$ 31,180,000
Accts. receiv. net	45,998,000	34,571,000
*Inventories	41,302,000	25,216,000
Prepaid expenses	677,000	3,687,000
Deferred taxes	1,794,000	763,000
Current Assets	$ 106,417,000	$ 95,417,000
#Fixed assets	15,902,000	9,794,000
Goodwill	6,619,000	6,795,000
Other assets	1,911,000	1,589,000
Total Assets	$ 130,849,000	$ 113,595,000

Liabilities

Notes payable	$ 7,220,000	$ 2,879,000
Accounts payable	7,263,000	5,617,000
Accruals	10,100,000	7,661,000
Accrued payroll	5,469,000:	5,007,000
Income taxes	1,348,000	1,842,000
Reserve for warranty	6,158,000	4,818,000
Current Liabilities	$ 37,558,000	$ 27,824,000
Long-term debt	2,933,000	4,556,000
Def. gain on bldg. sale	2,961,000	3,356,000
Deferred revenue	1,484,000	2,090,000
Deferred inc. taxes	257,000	502,000
Minority interest	5,238,000	5,735,000
+ Common stock	1,721,000	1,678,000
Add. paid-in capital	43,086,000	40,811,000
Stock subscription receivables	—	(174,000)
Retained earnings	35,691,000	28,260,000
Translation adj.	(80,000)	(1,043000)
Total Liabilities & Shareholders' Equity	$ 130,849,000	$ 113,595,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.59	16.31
%Net Income to Sales	5.64	11.61
%Net Income to Equity	9.24	18.60
Sales to Inventories	3.19	4.42
Debt to Equity	0.13	0.11
Working Capital	$68,859,000	$67,593,000
Current Ratio	2.83	3.43
Shareholders' Equity	$80,418,000	$69,532,000

Cohu, Inc.

5755 Kearny Villa Road
San Diego, California 92123
(714) 277-6700

Officers: William S. Ivans, chairman; James W. Barnes, president and chief executive officer; A. Mack Rodgers, vice president & counsel; Charles A. Schwan, v.p.-finance.

Directors: William S. Ivans, Robert W. Kerns, John E. Goode, Jr., J.M. Keeney, F.W. Davis, W.N. Jenkins, G.E. Leary, R.C. Sebold, James W. Barnes, Charles L. Blake.

Division(s):

Electronics Division
5725 Kearny Villa Road
San Diego, California 92123
(714) 277-6700

Major products include broadcast and closed-circuit TV systems, color film cameras, environmental, underwater and radiation-tolerant cameras, high resolution cameras, audio and video switching systems and voltage standards.

Subsidiaries:

Broadcast Microwave Services, Inc.

Manufactures microwave radios, antenna systems and support equipment used to transmit television video and audio signals.

Delta Design, Inc.
5755 Kearny Villa Road
San Diego, California 92113
(714) 292-5000

Supplies specialized electro-mechanical test equipment such as transistors and integrated circuits to the semiconductor industry.

FRL, Incorporated
1005 I Street
Los Banos, California 93635
(209) 826-3292

Supplier of metal detection equipment to the public utility industry, and to prospectors and hobbyists.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: COH

Number of Employees:

1985	414	1982	316
1984	363	1981	326
1983	342		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 30,398,749	$ 1,082,164
1984	23,268,779	1,740,902
1983	19,680,820	1,217,849
1982	18,322,150	573,788
1981	19,326,015	1,199,526

	No. of Com. Shares †	Earn. per Share †
1985	1,793,262	$ 0.60
1984	1,739,256	1.00
1983	1,733,352	0.70
1982	1,731,086	0.33
1981	1,722,035	0.70

‡ Includes other income; of continuing operations only.
† Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Television cameras & equipment	$ 14,742,169	$ 8,885,401
Electronic test & detection apparatus	15,656,580	14,383,378
Total	$ 30,398,749	$ 23,268,779

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.19	—	—
1983	0.16	—	—
1982	0.16	—	—
1981	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 14,209,127	$ 7.90
1984	13,399,459	7.51
1983	11,634,073	6.71
1982	10,679,574	6.17
1981	10,379,751	6.00

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 30,398,749	$ 23,268,779
Cost of sales	20,930,062	14,290,904
Expenses	7,977,231	6,366,113
Int. & div. income	(26,508)	(209,140)
Gain on sale of land	(160,000)	(160,000)
Interest expense	95,800	—
Income before taxes	$ 1,582,164	$ 2,980,902
Income taxes	500,000	1,240,000
Net Income	$ 1,082,164	$ 1,740,902

*Included in Costs and Expenses, Depreciation and Amortization: $530,378 in 1985 and $410,644 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 426,957	$ 1,718,563
Accts. receiv., net	6,095,184	4,233,997
*Inventories	7,701,751	6,493,745
Prepaid expenses	190,466	136,428
Current Assets	$ 14,414,358	$ 12,582,733
#Fixed assets	5,752,540	4,957,554
Other assets	535,480	619,656
Total Assets	$ 20,702,378	$ 18,159,943

Liabilities

Notes payable	$ 2,700,000	$ —
Accts. payable	1,603,015	2,079,319
Accruals	723,563	622,457
Accrued payroll	503,223	565,109
Income taxes	24,506	614,028
Other taxes	134,490	205,891
Commissions payable	205,454	240,680
Curr. Liabilities	$ 5,894,251	$ 4,327,484
Deferred inc. taxes	599,000	433,000
+Common stock	2,017,618	2,003,608
Add. paid-in capital	4,191,573	4,119,326
Retained earnings	8,974,115	8,250,704
Treasury stock	(974,179)	974,179
Total Liabilities & Shareholders' Equity	$ 20,702,378	$ 18,159,943

* At lower of average cost and market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.20	12.81
%Net Income to Sales	3.56	7.48
%Net Income to Equity	7.62	12.99
Sales to Inventories	3.95	3.58
Working Capital	$ 8,520,107	$ 8,255,249
Current Ratio	2.45	0.29
Shareholders' Equity	$14,209,127	$13,399,459

Colt Industries Inc.

430 Park Avenue
New York, New York 10022
(212) 940-0400

Officers: David I. Margolis, chairman, president & chief exec. officer; Anthony J. di Buono, sr. v.p., general counsel & secretary; Ben Cook, Guy C. Shafer, Andrew C. Hilton, Salvatore J. Cozzolino, exec. v.p.'s; Phil Berkowitz, v.p.-personnel; Joseph P. Lisa, v.p. & controller; James G. McHugh, v.p.-labor relations; Julius Levinson, v.p.-taxes; John F. Campbell, v.p.-public relations; Ray C. Davis, George W. Townsend, C. Edward Warner, group v.p.'s; Hershell B. Murray, v.p.-government relations.

Directors: David I. Margolis, William S. Schwab, William H. Rea, Max E. Wildman, Robert A. Alberty, Louis T. Seith, Paul W. MacAvoy, Salvatore J. Cozzolino, Andrew C. Hilton.

Divisions:

Industrial

Fairbanks Morse Engine Division
701 Lawton Avenue
Beloit, Wisconsin 53511
(608) 364-4411

Diesel engine generator systems for standby, peaking, and continuous service/Diesel engines for industrial drives/Marine diesel propulsion systems and generator systems.

Central Moloney Transformer Division
2400 West Sixth Avenue
Pine Bluff, Arkansas 71601
(501) 534-5332

Electrical distribution transformers, components.

Pratt & Whitney Machine Tool Division
Charter Oak Boulevard
West Hartford, Connecticut 06101
(203) 236-6221

Profile milling, other machine tools, measuring systems, metal cutting, metal forming tools, dies.

Elox Division
P.O. Box 2227
Davidson, North Carolina 28036
(704) 892-8011

Electrical discharge machining (EDM) equipment.

Quincy Compressor Division
36th Street & Wismann Lane
Quincy, Illinois 62301
(217) 222-7700

Reciprocating and helical screw air compressors.

Garlock Special Products Division
Suite 1250, Midtown Tower
Rochester, New York 14604
(716) 232-1400

Bearings, butterfly valves, and hydraulic/pneumatic cylinders.

France Compressor Products Division
104 Pheasant Run
Newtown, Pennsylvania 18940
(215) 968-5959

Compressor and industrial engine components.

Fairbanks Weighing Division
711 East St. Johnsbury Road
St. Johnsbury, Vermont 05819
(802) 748-5111

Electronic scales.

Colt Firearms Division
P.O. Box 1868
Hartford, Connecticut 06102
(203) 236-6311

Hunting rifles/Sporting, target, custom, and commemorative arms and accessories/Police, security, and military handguns/M16 military rifles.

Garlock Mechanical Packing Division
1666 Division Street
Palmyra, New York 14522
(315) 597-4811
Industrial seals, gasketing, expansion joints.

Automotive

Holley Automotive Division
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 497-4000
Automotive carburetor; fuel injection systems, transmission components. Design, manufacture, and sale of OEM car and truck carburetors/Development of non-carburetor automotive fuel management systems.

Holley Replacement Parts Division
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 497-4000
Replacement, performance carburetors, fuel injection systems; remanufactured carburetors; emissions control components.

Colt Automotive Products Division
1748 Northwood Drive
Troy, Michigan 48084
(313) 362-5300
Supercharger systems, friction materials, and other non-fuel system products.

Stemco Truck Products Division
P.O. Box 1989
Longview, Texas 75606
(214) 758-9981
Truck wheel lubrication systems/Exhaust systems, replacement leaf springs, and automotive instrumentation.

Farnam Sealing Systems Division
1707 Northwood Drive
Troy, Michigan 48084
(313) 362-5457
Gaskets, gasket assemblies for automotive and industrial applications.

Fairbanks Morse Engine Accessories Operation
6402 Rockton Road
Roscoe, Illinois 61073
(815) 389-3660
Magnetos, ignition systems, other engine components.

Aerospace/Government

Menasco California Division
First and Cedar Streets
Burbank, California 91510
(818) 842-9111
Landing gear for military and commercial aircraft/Shock mitigation systems for missiles and other applications.

Menasco Texas Division
P.O. Box 500
Euless, Texas 76039
(817) 283-4471
Military and commercial aircraft landing gear/Hydraulic systems and weapons loading systems for submarines and destroyers/Helicopter components.

Menasco Overhaul Division
26 East Providencia Avenue
Burbank, California 91510
(818) 843-0611
Overhaul and repair of landing gear and unrelated components and reconditioned spare parts for U.S. and foreign airlines and military services.

Delavan Gas Turbine Products Division
P.O. Box 100
West Des Moines, Iowa 50265
(515) 274-1561
Gas turbine engine fuel injectors, components, spray nozzles, valves.

Chandler Evans Control Systems Division
Charter Oak Boulevard
West Hartford, Connecticut 06101
(203) 236-0651
Fuel pumps, fuel controls, and other gas turbine engine accessories and components/Aircraft and airframe valves/Missile flight control systems, valves and actuators.

Lewis Engineering Company
238 Water Street
Naugatuck, Connecticut 06770
(203) 729-5253
Aircraft electronic instrumentation systems.

Walbar Inc.
Peabody Industrial Center
Peabody, Massachusetts 01970
(617) 532-2700
Jet engine turbine blades and vanes, compressor airfoils, discs, impellers, and related components.

International Operations

Menasco Aerospace Ltd.
1400 South Service Road, West
Oakville, Ontario
Canada L6L 5Y7
(416) 827-7777
Landing gear and flight controls for military and commercial aircraft/Helicopter rotor components/Flight control overhaul service.

Garlock of Canada Ltd.
66 Jutland Road
Toronto, Ontario, Canada M8Z 2H3
(416) 255-9114
Molded and extruded rubber products/Braided packings/Compressor and industrial engine components/Wheel lubrication and truck exhaust systems for heavy duty trucks.

Facilities: Garlock Mechanical Packing Division, Toronto, Ontario; France Compressor Products Division, Brantford, Ontario; Stemco Truck Products Division, Mississauga, Ontario.

Woodville Polymer Engineering Ltd.
Alton Lane, Ross-on-Wye
HR9 5NF Herefordshire, England
High-technology specialty molded rubber products.

Facilities: Ross-on-Wye Division, Ross-on-Wye, Herefordshire; Swadincote Division, Burton-on-Trent, Staffordshire.

Garlock AG
Industriestrasse 26128
8152 Glattbrugg
Switzerland
Colt friction materials, truck transmission components.

Garlock Limited
North Way, Andover
Hampshire, SP10 5HN England
Sals, packings, truck wheel lubrication systems, compressor components.

Facilities: Garlock Mechanical Packing and Stemco Truck Products Division, Newbury, Berkshire; France Compressor Products Division, Andover Hampshire.

Garlock S.A.
Torre dels Pardals, 23
Barcelona 26, Spain
Stemco truck products.

Garlock GmbH
Postfach 300 451
Scheffelstrasse 73
4000 Dusseldorf 30
West Germany
Manufacture and distribution of Garlock products. Stemco truck products, and France compressor products.

Facilities: Garlock Valves & Industrial Plastics, Neuss; France Compressor Products Division, Gross Gerau; Garlock Mechanical Packing Division, Düsseldorf.

Garlock de Mexico, S.A. de C.V.
Poniente 116, No. 571
Mexico 15, D.F.
Industrial packing and gasketing/Compressor components/TFE specialty products and molded rubber products.

Delavan Limited
Gorsey Lane, Widnes
Cheshire WA8 ODJ England
Industrial, agricultural spray nozzles and other products.

Liard S.A.
49 Route National
F-59570 Bavay, France
Compressor and industrial engine components, truck wheel lubrication systems.

Transfer Agent(s):
Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York, Pacific, Midwest, London

Ticker Symbol: COT

Number of Employees:

1985	19,700	1982	20,600
1984	22,400	1981	28,000
1983	22,100		

Plant Footage:

1985	N.A.	1982	12,800,000
1984	11,900,000 sq.ft.	1981	17,200,000
1983	N.A.		

N.A. - Not Available.

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 1,579,325	$ 138,033
1984	1,581,750	132,229
1983	1,343,130	99,255
1982	1,277,736	(161,358)
1981	1,451,611	109,550

	No. of Com. Shares #	Earn. per Share #
1985	19,979,000	$ 6.91
1984	22,093,000	5.99
1983	24,778,000	4.01
1982	25,502,000	—
1981	27,680,000	3.95

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Aerospace/Government	$ 539,000	$ 497,000
Automotive	542,000	580,000
Industrial	501,000	506,000
Eliminations	(3,000)	(1,000)
Total	$ 1,579,000	$ 1,582,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$2.50	—	—
1984	2.27	—	—
1983	2.00	—	—
1982	1.80	—	—
1981	1.53¾	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 414,304,000	$ 21.39
1984	343,719,000	17.58
1983	466,831,000	19.65
1982	443,490,000	18.51
1981	735,715,000	27.06

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 1,579,325	$ 1,581,750
Cost of sales	1,159,264	1,170,770
Expenses	187,614	192,607
Interest expense	14,331	14,275
Interest income	(8,724)	(15,705)
Income before taxes	$ 226,840	$ 219,803
Income taxes	97,540	99,834
Inc. - cont. oper.	$ 129,300	$ 119,969
Inc. - discont. oper.	8,733	12,260
Net Income	$ 138,033	$ 132,229

* Included in Costs and Expenses, Depreciation and Amortization: $31,626,000 in 1985 and $33,208,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cert. of deposit	$ 14,082	$ 3,858
Marketable securities	201,499	2,529
Accts. and notes receiv., net	179,867	180,587
*Inventories	277,230	266,107
Deferred inc. taxes	17,339	18,493
Other curr. assets	5,520	4,941
Assets of discont. oper.	—	77,667
Current Assets	$ 695,537	$ 554,182
#Fixed assets	301,932	251,775
Intangibles	167,530	41,323
Other assets	7,803	1,530
Funds for capital proj.	77,742	54,116
Assets of discont. oper.	—	57,187
Total Assets	$ 1,250,544	$ 960,113

Liabilities
(000's)

	1985	1984
Notes payable	$ 4,091	$ 12,120
Long-term debt, curr.	4,489	3,889
Accts. payable	85,803	89,639
Accrued payroll	68,406	45,311
Accrued taxes	76,902	81,318
Other accruals	39,260	31,651
Liab. of discont. oper.	7,008	17,350
Curr. Liabilities	$ 285,959	$ 281,278
Long-term debt	342,414	108,589
Minority interest	4,039	4,114
Deferred inc. taxes	5,612	(8,919)
Other liab.	106,383	46,765
Liab. of discont. oper.	91,833	184,567
+Common stock	27,617	27,617
Add. paid-in capital	143,548	142,321
Retained earnings	593,173	504,402
For. curr. trans. adjust.	(10,734)	(11,998)
Treasury stock	(339,300)	(318,623)
Total Liabilities & Shareholders' Equity	$ 1,250,544	$ 960,113

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1985	1984
%Net Income to Equity	33.32	38.47
Sales to Inventories	5.70	5.94
Debt to Equity	0.85	0.36
Working Capital	$409,578,000	$272,904,000
Current Ratio	2.43	1.97
Shareholders' Equity	$414,304,000	$343,719,000

Columbia Chase Corporation

Forbes Business Center, Suite 200
220 Forbes Road
Braintree, Massachusetts 02184 ((617) 848-2810

Officers: Francis M. Chase, chairman of the board & chief executive officer; Edward L. Chase, president, treasurer & chief operating officer; Nikit Ordjanian, vice.president; Wilfred W. Carter, v.p.-finance & controller; George M. Hughes, secretary.

Directors: Francis M. Chase, chairman; Edward L. Chase, Nikit Ordjanian, George M. Hughes, George M. Hansen, Wilbur L. Lafean, Jr., James D. O'Donnell.

Areas of Work: Manufactures energy-related products such as dielectric insulation for electrical power cables, protective tapes and coatings for underground gas and oil lines and humidity-resistant coatings for electronic components and printed circuitry. Other operations include custom compounding and mixing of rubber and plastics and the design and manufacture of copper absorber plates, also a coal-based alternate fuel.

Divisions and Subsidiaries:

Chase & Sons, Inc.
Randolph, Massachusetts 02368
(617) 963-2600

Cable tapes for use in electrical wires and cables, telephone and communication cables, shipboard, Navy and missile cables. Protective tape coatings for corrosion prevention on underground oil, gas and petroleum pipelines. Electrical tapes for utilities and contractors. Flexible electrical insulation for use in motors, transformers and other electrical equipment.

Avon Custom Mixing Services Division
Holbrook, Massachusetts
(617) 767-0511

Custom volume mixing of rubber and other compounds supplying the commercial market and corporate internal use.

HumiSeal Division
26-60 Brooklyn-Queens Expressway West
Woodside, New York 11377
(718) 932-0800

Produces conformal liquid protective coatings for electronics and printed circuitry.

Royston Laboratories, Inc.
Pittsburgh, Pennsylvania 15238
(412) 828-1500

Produces and sells materials to prevent corrosion on underground pipelines and other metal surfaces and to protect wood and concrete surfaces, also bridge expansion joints.

International Division
220 Forbes Road
Braintree, Massachusetts 02184
(617) 848-2813
Liaison Office
Brussels, Belgium
32(2) 354-1331

Coordination of international marketing and sales.

Combustion Division
Holbrook, Massachusetts
(617) 767-0542

Systems for producing coal-water alternate fuel mixtures. Systems for treatment of asphaltene contaminants in No. 6 oil

Intercol Services, Inc.
Braintree, Massachusetts

International licensing and exchange of process and technologies and special international sales.

Solar Voltaic, Inc. (51% owned)
Braintree, Massachusetts
(617) 848-2810

Solar cell research.

Allstate Energy Analysts, Inc.
Braintree, Massachusetts

Energy analysis service.

Sunplate, Inc.
Holbrook, Massachusetts
(617) 767-0513

Copper absorber plates.

Columbia Chase Export Corp.
Barbados

Small Foreign Sales Corporation (PSC).

Transfer Agent(s):

The Chase Manhattan Bank
One New York Plaza
New York, New York 10081

Stock Exchange(s): Boston

Ticker Symbol: CTE

Number of Employees:

1985	184	1983	190
1984	177		

Plant Footage:

1985	325,000 sq. ft.	1983	350,000
1984	350,000		

Sales and Earnings

	Net Sales +	Net Income †
1985	$ 22,397,124	$ 441,043
1984	21,043,181	379,543
1983	17,982,075	22,885
1982	18,433,653	(145,996)
1981	20,947,745	473,260

	No. of Com. Shares #	Earn. per Share #†
1985	3,887,964	$ 0.11
1984	3,894,806	0.10
1983	3,894,806	0.01
1982	3,894,806	—
1981	3,894,806	0.12

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $179,359 ($0.04 per share) in 1985, $202,920 ($0.05 per share) in 1984 and $200,000 ($0.06 per share) in 1983.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.06	--	7-for-5

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 5,220,192	$ 1.35
1984	4,802,618	1.23
1983	4,423,075	1.14
1982	4,400,190	1.13
1981	4,782,685	1.23

+ Adjusted to reflect stock split.

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 22,257,817	$ 20,912,906
Other income	139,307	130,275
Total income	$ 22,397,124	$ 21,043,181
Cost of sales	15,314,265	14,627,482
Expenses	6,031,240	5,454,143
Interest expense	285,351	356,303
Minority interest	—	(4,972)
Income before taxes	$ 766,268	$ 610,225
Income taxes	504,584	433,602
Net Income	$ 261,684	$ 176,623
Extraord. gain	179,359	202,920
Net Income & extraord. gain	$ 441,043	$ 379,543

* Included in Costs and Expenses, Depreciation and Amortization: $364,236 in 1985 and $342,707 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 152,835	$ 261,951
Receiv., net	3,813,993	3,679,115
*Inventories	3,019,242	2,736,280
Prepaid expenses & other assets	263,440	236,365
Current Assets	$ 7,249,510	$ 6,913,711
#Fixed assets	2,161,534	2,082,473
Other assets	710,614	623,325
Total Assets	$ 10,121,658	$ 9,619,509

Liabilities

	1985	1984
Notes payable	$ 1,222,393	$ 1,114,949
Long-term debt, curr.	150,000	159,299
Accts. payable	1,151,096	1,187,752
Accruals	813,952	857,610
Income taxes	420,861	216,923
Deferred income	4,370	4,489
Curr. Liabilities	$ 3,762,672	$ 3,541,022
Long-term debt	1,050,000	1,200,000
Def. inc. taxes	88,794	75,869
+Common stock	389,480	389,480
Add. paid-in capital	1,753,482	1,753,482
Retained earnings	3,100,699	2,659,656
Treasury stock	(23,469)	—
Total Liabilities & Shareholders' Equity	$ 10,121,658	$ 9,619,509

* At cost (FIFO), which is not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.44	2.92
%Net Income to Sales	1.18	0.84
%Net Income to Equity	5.01	3.68
Sales to Inventories	7.37	7.64
Debt to Equity	0.46	0.52
Working Capital	$3,486,838	$3,372,689
Current Ratio	1.93	1.95
Shareholders' Equity	$5,220,192	$4,802,618

Communications Satellite Corporation

950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6000

Officers: Irving Goldstein, chairman & chief executive officer; Marcel P. Joseph, president & chief operating officer; Joel R. Alper, president-Space Communications Div.; Stephen M.D. Day, v.p.-corporate development; A. William Perigard, president-COMSAT Technology Products, Inc.; William L. Mayo, president-COMSAT General Corp.; William C. Taylor, president-COMSAT International Communications, Inc.; Bruce L. Crockett, v.p. & chief financial officer; Robert W. Baumann, v.p.-human resources and organization development; Richard L. Dineley, comptroller; Willard R. Nichols, v.p., secretary & general counsel; John V. Evans, v.p.-research & development & dir.-COMSAT Laboratories; Richard L. McGraw, v.p.-corp. affairs; Edmund Bartlett, III, treasurer; Robert W. Kinzie, pres. Communications Services Div.

Directors: Elliot M. Estes, Joseph V. Charyk, Melvin R. Laird, Ellmore C. Patterson, Charles J. Pilliod, Jr., Bruce G. Sundlun, Lewis W. Foy, Frederick B. Dent, Neal B. Freeman, E. Pendleton James, Irving Goldstein, Marcel P. Joseph, Michael A. McManus, Jr., John Sculley.

Areas of Work: COMSAT, the Communications Satellite Corporation, provides satellite-based communications services and products to the international, maritime, and U.S. domestic markets.

Subsidiaries:

COMSAT General Corporation
950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6010

Engaged in maritime and domestic U.S. satellite communications programs, and provides worldwide technical service.

COMSAT International Communications, Inc.
950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6000

Provides private, custom-designed international communications networks to multinational organizations.

Satellite Television Corporation
950 L'Enfant Plaza, S.W.
Washington, D.C. 20024
(202) 863-6000

Has filed an application with the FCC proposing to operate satellite subscription television service.

COMSAT Technology Products, Inc.
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-5000

COMSAT Laboratories
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-4000

COMSAT Telesystems, Inc.
2700 Prosperity Avenue
Fairfax, Virginia 22031
(703) 876-3000

Amplica Inc.
950 Lawrence Drive
Newbury Park, California 91320
(805) 498-9671

COMSAT (U.K.) Limited
Greybrook House
28 Brook Street
London, W1Y 1AG
England

Transfer Agent(s):

American Transtech Inc.
8000 Baymeadows Way
Jacksonville, Florida 32216

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: CQ

Number of Employees:

1985 2,667

Sales and Earnings

	Oper. Revenues †	Net Income
1985	$ 459,036,000	$ (41,527,000)
1984	397,485,000	51,165,000
1983	402,246,000	50,051,000
1982	373,150,000	43,308,000
1981	286,019,000	40,038,000

	No. of Com. Shares +	Earn. per Share #
1985	18,115,473	$ —
1984	18,093,186	2.83
1983	18,066,035	2.77
1982	18,000,028	2.70
1981	16,000,028	2.50

(Loss)
† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Space communications	$ 262,496	$ 235,186
Communications serv.	167,630	138,102
Technology prods.	57,076	39,220
Eliminations	(28,166)	(15,023)
Total	$ 459,036	$ 397,485

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.20	—	—
1983	1.175	—	2-for-1
1982	1.15	—	—
1981	1.15	—	—

# Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 536,394,000	$ 29.61
1984	599,228,000	33.12
1983	569,138,000	31.50
1982	537,787,000	29.88
1981	437,220,000	27.33

# Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Oper. rev.	$ 459,036	$ 397,485
Cost of sales	223,912	196,025
Depreciation & amortization	74,287	56,946
Expenses	56,951	50,772
Eq. in loss of DBS Partnership	120,000	25,079
Other income	(10,169)	(14,765)
Interest expense	6,032	3,418
Inc. (loss) bef. taxes	$ (11,977)	$ 80,010
Inc. taxes	7,064	29,384
Inc. - (loss) cont. oper.	$ (19,041)	$ 50,626
Inc. (loss) - discont. oper.	(22,486)	539
Net Income (Loss)	$ (41,527)	$ 51,165

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. investments	$ 101,748	$ 62,794
Accts. receiv., net	83,994	86,367
*Inventories	30,609	40,769
Other assets	29,055	21,365
Current Assets	$ 245,406	$ 211,295
Investments	13,118	4,514
#Fixed assets	853,156	891,395
Other assets & intangibles	50,197	58,618
Total Assets	$ 1,161,877	$ 1,165,822

Liabilities
(000's)

	1985	1984
Accts. payable	$ 41,653	$ 80,286
Accruals	65,909	43,971
Income taxes	4,377	12,001
Curr. Liabilities	$ 111,939	$ 136,258
Long-term debt	353,966	257,726
Deferred inc.	43,776	48,385
Deferred inc. taxes & invest. credit	115,802	124,225
+Common stock	234,548	234,513
Retained earnings	337,399	400,651
Treasury stock	(35,553)	(35,936)
Total Liabilities & Shareholders' Equity	$ 1,161,877	$ 1,165,822

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	—	8.54
Debt to Equity	0.66	0.43
Working Capital	$133,467,000	$ 75,037,000
Current Ratio	2.19	1.55
Shareholders' Equity	$536,394,000	$599,228,000

Compucorp

2211 Michigan Avenue
Santa Monica, California 90404
(213) 829-7453

Officers: Elmer R. Easton, chairman, president and chief executive officer; Norman J. Grannis, sr. v.p.-operations; Kas Terhorst, sr. v.p.-international marketing; William G. Nevers, v.p.-finance & chief financial officer; Thomas S. Budlong, v.p.-product development; Andrea De Mari, v.p.-research & engineering; Stanley J. Emeterio, v.p. & controller; Michael J. Toia, v.p.-manufacturing & materiel; Salvatore F. Cimbolo, Jr., sr. v.p.-North American marketing operations; Cynthia Wells, secretary and corporate counsel.

Directors: Elmer R. Easton, Carlos A. Tomaszewski, Norman J. Grannis, David McKearnan, Albert G. Handschumacher, Minoru Tonai; Lutz-Dieter Beaugrand.

Areas of Work: Engaged in the design, manufacture and marketing of desktop and hand-held computers, word processing equipment and computer components, programmable and nonprogrammable electronic calculators and peripheral equipment.

Transfer Agent(s):

U.S. Stock Transfer Corporation
1745 Gardenia Avenue, Suite 200
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCUP (NASDAQ)

Number of Employees:

1984	437	1983	485

Plant Footage:

1983	120,000 sq. ft.	1980	30,000
1982	100,000	1979	30,000
1981	30,000		

Sales and Earnings

	Net Sales	Net Income #
1983	$ 38,258,000	$ (4,566,000)
1982	35,287,000	1,925,000
1981	17,901,000	722,000
1980	9,367,000	50,000
1979	5,965,000	449,000

	No. of Com. Shares	Earn. per Share # +
1983	4,246,000	$ —
1982	4,225,000	0.49
1981	2,933,000	0.22
1980	2,503,000	0.03
1979	1,636,000	—

(Loss)
# Including extraordinary gain of $270,000 ($0.07 per share) in 1982.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1983	$ 8,044,000	$ 1.89
1982	14,196,000	3.36
1981	3,815,000 +	1.30
1980	1,692,000 +	0.68

+ After allowing for preferred stock at stated value.

Income Account

Year ended Dec. 31	1983	1982
Net sales	$ 38,258,000	$ 35,287,000
Cost of sales	20,337,000	17,478,000
Research	4,625,000	3,250,000
Expenses	17,533,000	10,558,000
Interest expense	1,203,000	653,000
Other expenses	796,000	—
Income (loss) before taxes	$ (6,236,000)	$ 3,348,000
Income taxes (credit)	(1,670,000)	1,693,000
Net Income (Loss)	$ (4,566,000)	$ 1,655,000
Extraord. gain	—	270,000
Net Income (Loss) & extraord. gain	$ (4,566,000)	$ 1,925,000

Assets

As of Dec. 31	1983	1982
Cash	$ 290,000	$ 230,000
Accts. receiv., net	12,441,000	11,490,000
*Inventories	10,420,000	7,680,000
Prepaid expenses	926,000	511,000
Current Assets	$ 24,077,000	$ 19,911,000
#Fixed assets	9,203,000	4,000,000
Deposits	1,879,000	993,000
Total Assets	$ 33,012,000	$ 24,904,000

Liabilities

Bank notes payable	$ —	$ 750,000
Cap. lease oblig., curr.	120,000	—
Sinking fund debentures, curr.	—	908,000
Accts. payable	7,262,000	2,698,000
Accrued payroll	613,000	292,000
State income taxes	25,000	311,000
Other	958,000	599,000
Curr. Liabilities	$ 8,978,000	$ 5,558,000
Long-term debt	15,700,000	5,150,000
+ Preferred stock	290,000	—
+ + Common stock	10,531,000	12,117,000
Retained earnings (deficit)	(2,487,000)	2,079,000
Total Liabilities & Shareholders' Equity	$ 33,012,000	$ 24,904,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; 6% cumulative.
+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.49
%Net Income to Sales	—	4.69
%Net Income to Equity	—	17.66
Sales to Inventories	3.67	4.59
Working Capital	$15,099,000	$14,353,000
Current Ratio	2.68	3.58
Shareholders' Equity	$ 8,044,000	$14,196,006

CompuDyne Corporation

Corporate Headquarters:
391 Greendale Road
York, Pennsylvania 17403
(717) 843-4020

Office of the President:
100 South Wacker Drive
Chicago, Illinois 60606
(312) 346-7878

Officers: Frank J Kelley III, chairman of the board, president & treasurer; Bruce Chandler, v.p.; David W. Stevens, sr. v.p.; Martin F. Moser, controller; Kenneth P. Griffin, secretary; Allen Hatfield III, Walter E. Rohrbaugh, asst. secretaries & asst. treasurers.

Directors: Frank J Kelley III, chairman; Bert G. Kerstetter, Henry G. Van der Eb, W. Newton Burdick, Jr., Lavern H. Brenneman, Bruce Chandler, Donald G. Iselin.

Areas of Work: Operates principally in four industries—energy and environment, precision products, visual communications, and control systems. The energy and environment segment consists of the manufacture of industrial and commercial heat exchangers, air-handling equipment, and pollution control filter systems. The precision products segment consists of the manufacturing and marketing of hydraulic metal fabricating machinery consisting of press brakes, shears, drilling machines and production punches. The visual communications segment consists of electrical information display systems (including scoreboards, plastic, metal and fiberglass signs, bulletins, and leased display signs) and electrical monitoring devices. The control systems segment consists of the manufacture and sale of electronic control systems.

Divisions and Subsidiaries:

General Indicator Corporation
York, Pennsylvania 17405
Designers and manufacturers of solid-state electronic, electro-hydraulic, electromechanical, and peripheral equipment for process control systems; radio direction finding systems and optical beacons; electronic data display systems, airport flight information systems, time-temperature signs, electronic scoreboards for sporting events, and illuminated outdoor signs for merchandising.

Hydra-Tool Corporation
Greenwood, Mississippi
Manufacturer of patented hydraulic metal fabricating machines.

Robintech PVC Pipe
Arlington, Texas

Melweb Signs, Inc.
P.O. Box 986
Daytona Beach, Florida 32015
(904) 225-1901
Manufacturing, installation, maintenance and leasing of illuminated signs and outdoor advertising.

York-Shipley, Inc.
P.O. Box 349
York, Pennsylvania 17405
(717) 755-1081
Manufactures commercial and industrial heat exchangers and air handling equipment.

Bay Harbor Marina, Inc.
Bay City, Michigan
Marina providing mooring, storage, sales and repair of boats.

Kolux Division
Manufactures illuminated outdoor and indoor identification signs and electronic message changers.

REDCO Division
Peoria, Illinois
Engaged in the manufacture and sale of switch gear for control of power generating, water, sewage and continuous process systems.

Vega Precision Laboratories Division
800 Follin Lane
Vienna, Virginia 22180
(703) 938-6300
Designs and manufactures radar related electronic equipment.

Ocean Applied Research Division
Engaged in the manufacture and sale of automatic radio direction finding systems, radio beacons and optical beacons.

Quanta Systems Corporation (92.4% owned)
Rockville, Maryland
Designs and manufactures electronic security equipment for federal agencies, provides technical engineering services for U.S. Government, produces industrial audio communication systems for high noise environments and supplies computer-based automated health care testing and financial systems for clinics.

C.W. Thompson
Rockville, Maryland

Data-Control Systems
Rockville, Maryland

Transfer Agent(s):

Maryland National Bank
225 N. Calvert Street
Baltimore, Maryland 21202

Stock Exchange(s): American

Ticker Symbol: CDC

Number of Employees:

1984	1,500	1981	1,580
1983	1,500	1980	1,560
1982	1,500		

Sales and Earnings

	Net Sales +	Net Income ‡
1984	$ 90,597,000	$ 218,000
1983	79,232,000	761,621
1982	85,786,000	1,106,829
1981	82,319,000	1,593,090
1980	76,051,000	1,534,527

	No. of Com. Shares #	Earn. per Share #‡
1984	1,001,000	$ 0.10
1983	1,000,623	0.64
1982	1,000,623	0.98
1981	1,000,623	1.47
1980	1,006,184	1.30

+ Of continuing operations only.
‡ Including extraordinary credits of $585,217 ($0.58 per share) in 1983, and $162,400 ($0.16 per share) in 1980.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1984	1983
Energy & Environment	$ 23,462	$ 21,997
Visual Communications	35,891	27,736
Control Systems	31,244	29,499
Total	$ 90,597	$ 79,232

Common Stock Equity

	Total Equity #	Equity Per Share ‡
1984	$ 10,207,000	$ 10.20
1983	10,041,375	10.04
1982	9,071,924	9.07
1981	8,101,453	8.10
1980	6,700,209	6.66

After allowing for preferred stock at liquidation values.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1984	1983
Net sales	$ 90,597,000	$ 79,232,000
Cost of sales	63,564,000	56,150,000
Expenses	22,504,000	18,603,000
Other income	4,747,000	3,433,000
Interest expense	—	1,167,000
Plant relocation costs	(1,520,000)	(1,173,000)
Income before taxes	$ 1,302,000	$ 1,052,000
Income taxes	414,000	117,000
Minority interest	(62,000)	(19,000)
Inc. - cont. oper.	$ 950,000	$ 954,000
Loss - discont. oper.	(732,000)	(777,000)
Net Income	$ 218,000	$ 177,000
Extraord. gain	—	585,000
Net Income & extraord. gain	$ 218,000	$ 762,000

*Included in Costs and Expenses, Depreciation and Amortization: $2,781,000 in 1984 and $2,096,000 in 1983.

Assets

As of Sept. 30	1984	1983
Cash	$ 1,122,000	$ 515,646
Cert. of deposit	3,707,000	4,148,861
Accts. receiv., net	19,970,000	15,934,257
*Inventories	19,354,000	15,628,533
Prepaid expenses	2,238,000	1,494,488
Current Assets	$ 46,391,000	$ 37,721,785
Marketable equity secur. at market val.	590,000	524,900
#Fixed assets	25,771,000	16,251,936
Long-term receiv. & other assets	5,144,000	1,500,086
Total Assets	$ 77,896,000	$ 55,998,707

Liabilities

Notes payable & long-term debt., curr.	$ 26,002,000	$ 15,743,927
Accts. payable	7,264,000	5,645,419
Accruals	5,360,000	3,247,244
Customer deposits	964,000	1,694,330
Other curr. liabilities	1,063,000	335,667
Curr. Liabilities	$ 40,653,000	$ 26,666,587
Long-term debt	21,636,000	15,694,745
Deferred inc. taxes	782,000	393,270
Deferred compensation	341,000	484,187
Deferred credit	909,000	1,028,725
Minority interest	1,809,000	80,178
Redeem. pref. stock	349,000	399,500
+ Preferred stock		
Series A	900,000	900,000
Series B	310,000	310,140
+ + Common stock	791,000	790,663
Add. paid-in capital	541,000	541,184
Retained earnings	9,255,000	9,154,369
Treasury stock	(322,000)	(321,564)
Loss on marketable equity security	(58,000)	(123,277)
Total Liabilities & Shareholders' Equity	$ 77,896,000	$ 55,998,707

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
+ + $0.75 par value.

Statistical Summary

%Net Income to Equity	1.94	1.57
Sales to Inventories	4.68	5.07
Working Capital	$ 5,738,000	$11,055,198
Current Ratio	1.14	1.41
Shareholders' Equity	$11,417,000	$11,251,515

Compugraphic Corporation

200 Ballardvale Street
Wilmington, Massachusetts 01887
(617) 658-5600

Note: Agfa-Gevaert, N.V., a Belgian company which is an indirect, wholly owned subsidiary of Bayer AG of West Germany, owns slightly more than 81% of the common stock of Compugraphic Corporation.

Officers: Carl E. Dantas, president & chief executive officer; Fred J. Butler, sr. v.p.-finance & treasurer; David E. Costa, v.p.-corporate & product planning; Vincent M. Kaseta, sr. v.p.-human resources; David D. Lundquist, sr. v.p.-business development group; John M. Duker, sr. v.p.-sales & marketing; Frank J. Perpiglia, sr. v.p.-engineering division; Richard Renwick, sr. v.p.-operations; Donald C. Wile, sr. v.p.-graphics products group; Gabriel Auerbach, v.p.-quality & customer satisfaction; Thomas E. Kerr, clerk & general counsel; Marcia A. Krolikowski, asst. treasurer.

Directors: Johan Bisschops, George M. Berman*, Robert A.M. Coppenrath*, Carl E. Dantas*, Paul De Pelsmaker, Andre Leysen, Helmut Loehr, John K. Spring, Konrad M. Weis.

* Member of the Executive Committee.

Areas of Work: The Company develops, manufactures and markets equipment and related supplies, accessories and parts for application in setting type by a photocomposition process. The Company's photocomposition equipment projects individual letters and characters onto photographic paper or film from a film strip, glass grid, or magnetic disk containing a complete set of characters in a particular type style.

Subsidiaries:

Compugraphic Financial Corporation

Compugraphic Canada, Inc.

Compugraphic International Products Limited (Ireland)

Compugraphic Foreign Sales Corporation (US Virgin Islands)

Compugraphic International Finance Limited (Bermuda)

Compugraphic de Mexico, S.A.

Transfer Agent(s):

State Street Bank & Trust Co.
P.O. Box 366
Boston, Massachusetts 02107

Stock Exchange(s): New York, Boston, Philadelphia.

Ticker Symbol: CPU

Number of Employees:

1985	4,571	1982	4,309
1984	5,129	1981	4,334
1983	4,487		

Plant Footage:

1985	1,130,000 sq. ft.	1983	801,000
1984	1,191,000	1982	801,000

Sales and Earnings ×

	Revenues	Net Income
1985	$ 400,807,000	$ 21,797,000
1984	391,238,000	24,390,000
1983	318,363,000	16,903,000
1982	279,491,000	8,129,000
1981	276,313,000	(6,239,000)

	No. of Com. Shares	Earn. per Share #
1985	8,314,000	$ 2.63
1984	8,056,000	2.93
1983	8,120,000	2.04
1982	8,045,000	1.04
1981	4,958,000	—

(Loss)
× Restated to conform to new fiscal year.
Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.60	—	—
1984	0.55	—	—
1983	0.10	—	—
1982	—	—	—
1981	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 194,693,000	$ 23.42
1984	172,766,000	21.45
1983	156,642,000	19.29
1982	139,917,000	17.39
1981	90,826,000	18.32

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Revenues	$ 400,807	$ 391,238
Cost of sales	217,415	203,061
Expenses:		
Sell., gen., & admin.	115,391	113,777
Eng., res., & develop.	38,669	34,763
Emp. profit sharing	3,162	3,812
Interest expense	1,798	1,504
Other expense (income)	(4,082)	16
Inc. before taxes	$ 28,454	$ 34,305
Inc. taxes	6,657	9,915
Net Income	$ 21,797	$ 24,390

Compugraphic Corporation

* Included in Costs and Expenses, Depreciation and Amortization: $14,830,000 in 1985 and $14,209,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash & market. secur.	$ 18,625	$ 8,006
Market. securities	3,572	7,741
Accts. receiv., net	51,339	59,768
Note receivable	14,000	4,000
*Inventories	84,572	87,722
Prepaid inc. taxes	—	7,847
Prepaid expenses	6,439	7,855
Invest. in sales-type leases	20,092	15,887
Current Assets	198,639	198,826
Investments in sales-type leases	$ 54,527	$ 37,600
#Fixed assets	76,924	75,402
Total Assets	$ 330,090	$ 311,828

Liabilities
(000's)

Notes payable	$ 6,566	$ 15,898
Long-term debt, curr.	1,691	1,242
Accts. payable	10,784	13,777
Cust. deposits	1,617	3,546
Accruals	49,258	46,584
Deferred income taxes	17,369	
Curr. Liabilities	$ 87,285	$ 81,047
Long-term debt	27,340	19,946
Deferred inc. taxes	20,772	38,069
+Common stock	419	410
Stock purch. warrants	—	180
Add. paid-in capital	73,248	70,508
Cum. trans. adjust.	110	(1,725)
Retained earnings	123,356	108,310
Treasury stock	(2,440)	(4,917)
Total Liabilities & Shareholders Equity	$ 330,090	$ 311,828

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.10	8.77
%Net Income to Sales	5.44	6.23
%Net Income to Equity	11.20	14.12
Sales to Inventories	7.81	4.46
Debt to Equity	0.94	0.21
Working Capital	$111,354,000	$117,779,000
Current Ratio	2.28	2.45
Shareholders' Equity	$194,639,000	$172,766,000

CompuScan, Inc.

81 Two Bridges Road
Fairfield, New Jersey 07006
(201) 575-0500

Officers: Robert S. Bernstein, chairman, president & chief exec. officer; Vincent P. Marasco, exec. v.p., treasurer & chief financial officer; Fernando J. Silva, Jr., v.p.-mfg.; John F. de Raismes, v.p.-engineering; Peter F. Polizzano, v.p.-Systems Marketing; Gerald M. Labie, v.p.-marketing; John C. Neth, v.p.-field engineering; Carol M. Darrow, secretary.

Directors: Robert S. Bernstein, William T. Burgin, Derrick Ashcroft, Robert W. Fischer, Daniel Sinnott, David S. Fine, Vincent P. Marasco.

Areas of Work: Designs, manufactures, markets and services intelligent image processing and data entry systems for business, industry and government.

Subsidiaries:

CompuScan International (DISC)
Optical Business Machines, Inc.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CSCN (NASDAQ)

Number of Employees:

1985	303	1982	271
1984	319	1981	300
1983	306		

Plant Footage:

1985	63,500 sq. ft.	1982	40,000
1984	70,000	1981	40,000
1983	70,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 20,340,000	$ 1,624,000
1984	21,612,000	2,596,000
1983	17,841,000	2,455,000
1982	18,024,000	1,068,000
1981	16,847,000	178,000

	No. of Com. Shares #	Earn. per Share #‡
1985	6,015,845	$ 0.27
1984	6,497,997	0.40
1983	6,148,222	0.40
1982	3,915,079	0.27
1981	3,195,235	0.06

(Loss)
‡ Including extraordinary credits of $747,000 ($0.12 per share) in 1985, $1,173,000 ($0.18 per share) in 1984, $1,406,000 ($0.23 per share) in 1983, $472,000 ($0.12 per share) in 1982 and $81,000 ($0.03 per share) in 1981.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 14,302,000	$ 2.38
1984	14,827,000	2.28
1983	12,125,000	1.97
1982	2,598,000	0.66
1981	(423,000)	—

(Deficiency)
‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended May 31	1985	1984
Net revenues:		
Machines & hardware	$ 12,668	$ 14,623
Field engineering	7,672	6,989
Total	$ 20,340	$ 21,612
Cost of sales	11,111	11,348
Res., develop. engr. expenses	2,753	2,468
Sell., gen. & adm. exp.	5,548	5,582
Interest income	(853)	(580)
Income before taxes	$ 1,781	$ 2,794
Income taxes	904	1,371
Net Income	$ 877	$ 1,423
Extraord. gain	747	1,173
Net Income & extraord. gain	$ 1,624	$ 2,596

* Included in Costs and Expenses, Depreciation and Amortization: $1,518,000 in 1985 and $1,932,000 in 1984.

Assets

As of May 31	1985	1984
Cash & equiv.	$ 6,649	$ 7,363
Accts. receiv., net	3,068	3,907
*Inventories	2,678	2,329
Other curr. assets	67	66
Curr. Assets	$ 12,462	$ 13,665
#Fixed assets	3,735	3,161
Other assets	526	679
Total Assets	$ 16,723	$ 17,505

Liabilities
(000's)

Accts. payable	$ 1,052	$ 803
Accruals	1,262	1,761
Curr. Liabilities	$ 2,314	$ 2,564
Oblig. under cap. leases	107	114
+ Common stock	631	630
Add. paid-in capital	18,648	18,630
Retained earnings (deficit)	(2,809)	(4,433)
Treasury stock	(2,168)	—
Total Liabilities & Shareholders' Equity	$ 16,723	$ 17,505

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.76	12.93
%Net Income to Revenues	4.31	6.58
%Net Income to Equity	6.13	9.60
Debt to Equity	0.01	0.01
Working Capital	$10,148,000	$11,101,000
Current Ratio	5.41	5.33
Shareholders' Equity	$14,302,000	$14,827,000

Computer & Communications Technology Corp.

9177 Skypark Court
San Diego, California 92123
(619) 279-8973

Officers: E.T. Bahre, chairman of the board & chief executive officer; Robert L. McKay, exec. v.p. & chief financial officer; Jerry F. Smith, v.p.-personnel.

Directors: E.T. Bahre, chairman; Graham Tyson, Melvin A. Shader, Peter F. Zinsli.

Areas of Work: Designs and manufactures magnetic recording heads for rigid disc drives used for data storage and retrieval.

Subsidiaries:

Information Magnetics Corporation
9177 Skypark Court
San Diego, California 92123

Designs, manufactures, refurnishes and sells magnetic disc recording heads used in magnetic recording data storage units (peripheral memories) for data processing systems.

Information Magnetics Caribe Inc.
Call Box 1502, Road 125, Kil. 1.0
Moca, Puerto Rico 00716

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division, 2-70
P.O. Box 60228
Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCTC (NASDAQ)

Number of Employees:

1985	N.A.	1982	1,642
1984	2,841	1981	1,769
1983	2,059		

N.A. - Not Available.

Sales and Earnings

	Revenues +	Net Income ‡
1985	$ 67,753,000	$ (9,893,000)
1984	102,779,000	13,266,000
1983	67,399,000	(24,616,000)
1982	63,819,000	5,103,000
1981	57,852,000	6,208,000

	No. of Com. Shares #	Earn. per Share #‡
1985	7,699,000	$ —
1984	7,745,000	1.71
1983	7,673,000	—
1982	7,326,000	0.70
1981	6,552,000	0.95

(Loss)

+ Of continuing operations only.

‡ Including extraordinary gan of $1,612,000 ($0.21 per share) in 1984.

Based on the weighted average number of common shares and common shares equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 50,875,000	$ 6.61
1984	61,271,000	7.91
1983	48,466,000	6.32
1982	72,221,000	9.86
1981	59,396,000	9.07

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales	$ 62,403	$ 100,426
Other income	5,350	2,353
Total Income	$ 67,753	$ 102,779
Cost of sales	63,920	76,032
Eng. & develop. exp.	5,345	6,868
Selling, gen. & adm. exp.	11,492	8,487
Interest expense	1,386	1,032
Income (loss) before taxes	$ (14,390)	$ 10,360
Income taxes (credit)	(2,240)	816
Inc. (loss) -cont. oper.	$ (12,150)	$ 9,544
Inc. -discont. oper.	2,257	2,110
Net Income (Loss)	$ (9,893)	$ 11,654
Extraord. gain	—	1,612
Net Income (Loss) & extraord. gain	$ (9,893)	$ 13,266

* Included in Costs and Expenses, Depreciation and Amortization: $4,719,000 in 1985 and $3,865,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash	$ 24,039	$ 12,255
Trade receiv.	9,705	24,501
*Inventories	11,365	20,636
Assets held for sale	11,773	—
Other curr. assets	1,072	1,092
Current Assets	$ 57,954	$ 58,484
#Fixed assets	14,863	21,943
Invest. and other assets	8,416	11,191
Total Assets	$ 81,233	$ 91,618

Liabilities
(000's)

Notes payable, curr.	$ 97	$ 1,542
Accts. payable	5,005	8,594
Accruals	8,363	6,010
Income taxes	1,318	1,890
Curr. Liabilities	$ 14,783	$ 18,036
Long-term notes pay.	15,575	12,311
+ Common stock	3,085	3,082
Add. paid-in capital	50,004	50,510
Retained earnings (deficit)	(2,214)	7,679
Total Liabilities & Shareholders' Equity	$ 81,233	$ 91,618

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $0.40 par value.

Statistical Summary

%Net Income to Equity	—	19.02
Sales to Inventories	5.49	4.87
Debt to Equity	0.31	0.23
Working Capital	$43,171,000	$40,448,000
Current Ratio	3.92	3.24
Shareholders' Equity	$50,875,000	$61,271,000

Computer Automation, Inc.

2181 Dupont Drive
Irvine, California 92713
(714) 833-8830

Officers: George Pratt, president & chief executive officer; Douglas L. Cutsforth, president & chief operating officer; Stuart F. Dale, sr. v.p.; William L. Osmundsen, v.p.-finance, chief financial officer & treasurer; Ira L. Robinson, v.p., secretary & general counsel.

Directors: Richard Bertea, George Pratt, Harold R. Frank, R.C. Mercure, Jr., Douglas L. Cutsforth.

Areas of Work: Manufactures, markets and services high performance automatic test systems for testing electronic printed circuit boards, test equipment for bare circuit boards, digital minicomputers and microcomputers and their associated memories, communications and peripheral subsystems.

Divisions and Subsidiaries:

Industrial Products Division
2181 Dupont Drive
Irvine, California 92713

Computer Automation Limited
Millfield House
Croxley Centre, Woodshots Meadow
Watford, Hertfordshire,
WD1 8YX England

Computer Automation Ireland Ltd
IDA Industrial Estate
Clonsaugh, Coolock
Dublin 5, Ireland

Transfer Agent(s):

U.S. Stock Transfer Corp
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CAUT (NASDAQ)

Number of Employees:

1985	499	1982	989
1984	910	1981	1,149
1983	N.A.		

Plant Footage:

1985	161,000 sq. ft.	1982	415,146
1984	363,500	1981	415,146
1983	N.A.		

N.A. - Not Available.

Sales and Earnings

	Revenues †	Net Income #
1985	$ 40,451,000	$ (12,705,000)
1984	41,681,000	(7,795,000)
1983	44,154,000	(474,000)
1982	47,692,000	2,022,000
1981	53,253,000	1,650,000

	No. of Com. Shares +	Earn. per Share + #
1985	2,060,575	$ —
1984	2,061,261	—
1983	2,079,978	—
1982	2,055,320	0.98
1981	2,033,829	0.81

(Loss)

† Of continuing operations only.

+ Based on the weighted average number of shares outstanding assuming full dilution.

Including extraordinary gain of $315,000 ($0.15 per share) in 1982.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 9,709,000	$ 4.71
1984	22,414,000	10.87
1983	30,232,000	14.53
1982	30,663,000	14.92
1981	28,623,000	14.07

+ Based on the weighted average number of shares outstanding assuming full dilution.

Income Account *

Year ended June 30	1985	1984
Revenues	$ 40,451,000	$ 41,681,000
Cost of prods. & svcs.	22,865,000	22,041,000
Expenses	24,558,000	23,144,000
Interest expense	814,000	632,000
Other expense (income)	754,000	(1,693,000)
For. curr. trans.	227,000	438,000
Loss - cont. oper.	$ (8,767,000)	$ (2,881,000)
Loss - discont. oper.	(3,938,000)	(4,914,000)
Net Loss	$ (12,705,000)	$ (7,795,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,329,000 in 1985 and $1,667,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 433,000	$ 2,676,000
Accts. receiv., net	8,605,000	15,058,000
*Inventories	5,792,000	15,881,000
Prepaid expenses	500,000	333,000
Current Assets	$ 15,330,000	$ 33,948,000
#Fixed assets	3,405,000	6,625,000
Other assets	174,000	289,000
Assets of bus. transferred	3,896,000	—
Total Assets	$ 22,805,000	$ 40,862,000

Liabilities

Note payable	$ 2,723,000	$ —
Long-term debt, curr.	110,000	2,713,000
Accts. payable	3,170,000	3,558,000
Accruals	4,853,000	4,061,000
Curr. Liabilities	$ 10,856,000	$ 10,332,000
Note payable	—	6,000,000
Oblig. under cap. lease	1,481,000	1,606,000
Deferred income	345,000	510,000
Other liabilities	414,000	—

Computer Automation, Inc.

+ Common stock	206,000	206,000
Add. paid-in capital	9,509,000	9,509,000
Contrib. under emp. stock plan	11,000	11,000
Retained earnings	324,000	13,029,000
Note receivable	(341,000)	(341,000)
Total Liabilities & Shareholders' Equity	$ 22,805,000	$ 40,862,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Debt to Equity	0.44	0.46
Working Capital	$4,474,000	$23,616,000
Current Ratio	1.41	3.29
Shareholders' Equity	$9,709,000	$22,414,000

Computer Communications, Inc.

2610 Columbia Street
Torrance, California 90503
(213) 320-9101

Officers: Raymond E. High, chairman of the board & president; Carlton E. Vanderbeek, exec.v.p.; Ervin K. Dorff, sr. v.p.; Gene G. Ruckh, v.p.-finance; Harold L. Ridout, v.p.-manufacturing; Papken Sassouni, v.p.-special marketing; Jesse J. Acciacca, v.p.-customer service; Donald D. Wykes, sr. v.p.-sales & marketing; Eugene M. Guffan, treasurer & secretary.

Directors: Raymond E. High, Carlton E. Vanderbeek, Charles A. Dickinson, George S. Sarlo, Jack E. Schuss.

Areas of Work: CCI is a computer systems firm offering a complete range of system design, engineering and program development, data communications products include display/communications terminals, a communications processing computer with a complete set of associated storage units, peripheral devices and communications line interface modules, and complete data communications systems which utilize these products as components integrated together with operating software.

Subsidiaries:

C.C. Systems, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Co. of California
445 S. Figueroa Street
30th Floor
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	129	1982	150
1984	147	1981	170
1983	148		

Plant Footage:

1985	50,000 sq. ft.	1982	50,000
1984	50,000	1981	50,000
1983	50,000		

Sales and Earnings

	Revenues ‡	Net Income #
1985	$ 10,467,00	$ 174,625
1984	10,452,000	336,739
1983	10,982,000	601,496
1982	9,375,000	(744,292)
1981	11,006,000	(7,755,509)

	No. of Com. Shares	Earn. per Share # +
1985	7,117,711	$ 0.02
1984	6,742,142	0.06
1983	3,761,142	0.16
1982	3,761,142	—
1981	3,811,142	—

(Loss)
‡ Of continuing operations only.
# Including extraordinary gains of $60,000 ($0.01 per share) in 1985, $134,000 ($0.02 per share) in 1984 and $280,000 ($0.07 per share) in 1983.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,054,227‡	$ 0.15
1984	905,804	0.13
1983	(5,118,853)	—
1982	(5,725,112)	—
1981	(4,955,217)	—

(Deficiency)
‡ After allowing for preferred stock at par value.

Income Account *

Year ended June 30	1985	1984
Net revenues	$ 9,423,265	$ 9,833,755
Other income	1,043,611	618,261
Total income	$ 10,466,876	$ 10,452,016
Cost of sales	5,245,449	5,223,947
Expenses	4,964,333	4,745,781
Interest expense	82,469	145,549
Inc. bef. taxes	$ 174,625	$ 336,739
Income taxes	60,000	134,000
Net Income	$ 114,625	$ 202,739
Extraord. gain	60,000	134,000
Net Income & extraord. gain	$ 174,625	$ 336,739

* Included in Costs and Expenses, Depreciation and Amortization: $240,388 in 1985 and $311,328 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 115,330	$ 393,555
Short-term investments	—	1,750,000
Accts. & notes rec., net	1,907,427	1,945,484
*Inventories	3,053,483	2,648,968
Current Assets	$ 5,076,240	$ 6,738,007
Receivables	257,203	434,624
#Fixed assets	512,951	528,171
Other assets	464,796	213,335
Total Assets	$ 6,311,190	$ 7,914,137

Liabilities

Accts. payable	$ 2,757,492	$ 6,243,454
Accruals	717,196	764,879
Curr. Liabilities	$ 3,474,688	$ 7,008,333
+ Preferred stock	1,782,275	—
+ + Common stock	7,117,711	6,742,142
Add. paid-in capital	16,879,972	17,394,226
Deficit	(22,943,456)	(23,118,081)
Notes receivable	—	(112,483)
Total Liabilities & Shareholders' Equity	$ 6,311,190	$ 7,914,137

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $4.50 par value; 8% non-cumulative convertible.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	1.85	3.42
%Net Income to Revenues	1.22	2.06
%Net Income to Equity	4.04	22.38
Working Capital	$1,601,552	—
Current Ratio	1.46	—
Shareholders' Equity	$2,836,502	$905,804

Computer Consoles, Inc.

Watermill Center
800 South Street, 5th Floor
Waltham, Massachusetts 02154
(617) 893-3723

Officers: John F. Cunningham, chairman of the board & chief exec. officer; Herman A. Affel, Jr., vice chairman & treasurer; Gary D. Haynes, sr. v.p.-communications/telephony marketing; Samuel J. Ilardo, asst. treasurer & v.p.-Computer Consoles Leasing Corp.; John P. Jacobson, v.p.-worldwide sales; Harold S. Koplow, v.p.-development planning; David Moros, v.p.-corp. development; Thomas I. Nientimp, v.p.-administration; B. Denison Olmsted, v.p.-marketing & customer service; J. William Reeves, secretary; William N. Stirlen, v.p.-finance & president-Computer Consoles Leasing Corp.

Directors: John F. Cunningham, chairman; Herman A. Affel, Jr., George S. Beinetti, Norman O. Bender, Jr., Edgar F. Heizer, Jr., Justin L. Vigdor, H. Martin Weingartner, Thomas A. Vanderslice.

Areas of Work: Designs, develops, manufactures, markets, and services a variety of minicomputer-based, fault-tolerant integrated information systems which are primarily for the telephone industry.

Subsidiaries:

Computer Consoles Leasing Corporation
Time-Machine Ltd.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
One Lincoln First Square
Rochester, New York 14643

Stock Exchange(s): American

Ticker Symbol: CCS

Number of Employees:

1985	1,200	1982	1,061
1984	N.A.	1981	846
1983	1,244		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income
1985	$ 111,880,000	$ (41,911,000)
1984	131,189,000	6,290,000
1983	103,550,164	10,391,775
1982	79,102,215	7,438,794
1981	60,239,975	6,301,481

	No. of Com. Shares †	Earn. per Share +
1985	11,983,897	$ —
1984	11,325,033	0.54
1983	11,111,640	0.87
1982	10,867,722	0.66
1981	10,714,694	0.56

(Loss)
† Adjusted to reflect stock dividend.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	100%	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 21,665,000	$ 1.81
1984	61,973,000	5.47
1983	53,968,000	4.86

1982	41,105,000	3.78
1981	32,921,000	3.07

† Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 111,880,000	$ 131,189,000
Cost of revenues	73,071,000	52,936,000
Expenses	65,968,000	63,710,000
Interest expense	12,295,000	7,737,000
Restructuring costs	19,310,000	—
Inc. (loss) bef. taxes	$ (58,764,000)	$ 6,806,000
Income taxes (credit)	(16,853,000)	516,000
Net Income (Loss)	$ (41,911,000)	$ 6,290,000

*** Included in Costs and Expenses, Depreciation: $13,154,000 in 1985 and $9,444,000 in 1984.**

Assets

As of Dec. 31	1985	1984
Cash	$ 4,246,000	$ 4,217,000
Accts. receiv., net	18,312,000	21,955,000
Lease receiv., curr.	13,709,000	15,438,000
*Inventories	22,905,000	38,228,000
Prepaid expenses	1,770,000	1,875,000
Current Assets	$ 60,942,000	$ 81,713,000
#Fixed assets	30,418,000	45,607,000
‡Field spare parts	5,999,000	9,592,000
Other assets	1,068,000	865,000
Lease receivables	86,551,000	93,167,000
Debt issuance costs	2,177,000	2,410,000
Total Assets	$ 187,155,000	$ 233,354,000

Liabilities

Short-term borrowings	$ 55,648,000	$ 31,381,000
Accts. pay. & accruals	18,920,000	17,693,000
Rents received in adv.	1,244,000	2,765,000
Long-term debt, curr.	1,112,000	945,000
Deferred inc. taxes	—	300,000
Curr. Liabilities	$ 76,924,000	$ 53,084,000
Other liabilities	1,481,000	1,544,000
Long-term debt	84,279,000	96,893,000
Deferred inc. taxes	2,806,000	19,860,000
+ Common stock	1,198,000	1,133,000
Add. paid-in capital	23,989,000	21,333,000
Notes receiv. from stock sale	(1,838,000)	(720,000)
Retained earnings (deficit)	(1,684,000)	40,227,000
Total Liabilities & Shareholders' Equity	$ 187,155,000	$ 233,354,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated appreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	5.19
%Net Income to Revenues	—	4.79
%Net Income to Equity	—	10.15
Debt to Equity	3.94	1.58
Working Capital	$15,982,000	$28,629,000
Current Ratio	0.79	1.54
Shareholders' Equity	$21,665,000	$61,973,000

Computer Image Corporation

2475 West Second Avenue
Suite 4
Denver, Colorado 80223
(303) 934-5801

Officers: Lee Harrison, III, chairman of the board & president; Pete Freyschlag, v.p.-production operations; Edwin J. Tajchman, vice president-engineering & secretary-treasurer.

Directors: Lee Harrison, III, chairman; David D. Connell, Robert C. Gathers, Daniel J. Yomine, Mark G. Benz.

Areas of Work: Engaged in the development, manufacture and marketing of electro-visual communication products, including Scanimate graphic animation systems and devices. Provides software for industrial, government and educational markets; character animation systems and film production.

Subsidiary:

Computer Image Overseas Corporation (DISC)
Denver, Colorado

Joint Ventures:

System IV
Santiago, Chile

System IV
Mexico City, Mexico

Kinetic Design Systems

Transfer Agent(s):

Mountain States Stock Transfer Agents, Inc.
470 South Colorado Boulevard
Suite 201
Denver, Colorado 80222

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CIMG (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income ‡
1983	$ 1,080,828	$ (177,843)
1982	1,903,933	172,295
1981	1,440,000	161,264
1980	1,500,000	104,310
1979	1,078,000	42,659

	No. of Com. Shares	Earn. per Share ‡†
1983	1,489,120	$ —
1982	1,489,120	0.12
1981	1,484,170	0.11
1980	1,484,170	0.07
1979	1,474,170	0.03

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.
‡ Including extraordinary gains of $74,000 ($0.05 per share) in 1982, $56,000 ($0.04 per share) in 1981, $28,000 ($0.02 per share) in 1980, and $11,200 ($0.01 per share) in 1979.

Income Account

Year ended June 30	1983	1982
Revenues	$ 1,080,828	$ 1,903,933
Cost of sales and services	443,484	470,762
Cost of computer system sold	—	477,046
Expenses	487,378	557,712
Depreciation & amortization	257,347	224,217
Eq. in loss of joint ventures	24,660	—
Interest expense	45,802	1,901
Income (loss) before taxes	$ (177,843)	$ 172,295
Income taxes	—	74,000
Net Income (Loss)	$ (177,843)	$ 98,295
Extraordinary gain	—	74,000
Net Income (Loss) & extraordinary gain	$ (177,843)	$ 172,295

Assets

As of June 30	1983	1982
Cash	$ 1,142	$ 1,068
Accts. & contracts receiv., net	20,443	80,370
*Inventories	26,873	197,102
Prepaid expenses & other assets	10,314	13,569
Install contract receiv.	19,712	57,786
Current Assets	$ 78,484	$ 349,895
Install contract receiv.	—	18,383
#Fixed assets	1,005,819	1,066,282
Intangibles	53,107	64,623
Invest. in joint ventures	296,990	248,500
Total Assets	$ 1,434,400	$ 1,747,683

Liabilities

Notes payable	$ 196,134	$ 77,592
Long-term debt, curr.	123,985	167,615
Accts. payable	174,133	265,325
Accruals	124,055	108,663
Deposit	9,000	—
Curr. Liabilities	$ 627,307	$ 619,195
Long-term debt	609,158	625,536
Deferred income	371,648	498,822
+ Common stock	148,912	148,912
Add. paid-in capital	3,807,494	3,807,494
Deficit	(4,130,119)	(3,952,276)
Total Liabilities & Shareholders' Equity	$ 1,434,400	$ 1,747,683

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	9.05
%Net Income to Revenues	—	5.16
Shareholders' Equity (Deficiency)	$(173,713)	$4,130

Computer Products, Inc.

2900 Gateway Drive
Pompano Beach, Florida 33069

Post Office Box 23849
Fort Lauderdale, Florida 33307
(305) 974-5500

Officers: David Yoder, chairman of the board, president & chief executive officer; Edward J. Schneider, v.p. & gen. mgr.-Power Conversion Group; Keith F. Vreeland, v.p.-finance, secretary & treasurer; John E. Doyle, asst. treasurer.

Directors: David C. Yoder, Daniel S. Wiper, Edward J. Schneider, Bert Sager, Edward S. Croft, III, Keith F. Vreeland, J. Earl Templeton, Stephen A. Ollendorff.

Areas of Work: Designs, manufactures and markets industrial electronic systems, components and instruments. Products include its RTP family of analog and digital systems used in computer directed measurement and control applications. Also manufactures low-power encapsulated power conversion components, low-power digital recorders and other data gathering instruments.

Divisions and Subsidiaries:

Real Time Products Division
Systems Division

Bus Compatible Division
Measurement and Control Sales Division
Field Service and Education Division
Computer Products Caribe Ltd.
Stevens-Arnold, Inc.
Memodyne Corp.

Power Products Ltd.
CPRC, Inc.
Remote Systems, Inc.
Computer Products Asia - Pacific Ltd.
Computer Products Overseas Finance, N.V.
Grant Technology Systems Corp.

Acquisition(s):

Tecnetics, Inc.
Boulder, Colorado
Manufactures power supplies for the military and aerospace industries.

Boschert Inc.
BICC Boschert Ltd.
Manufacture power conversion products.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPRD (NASDAQ)

Number of Employees:

1985	2,248	1982	800
1984	1,300	1981	700
1983	1,100		

Plant Footage:

1985	682,000 sq. ft.	1984	352,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 88,518,000	$ 1,452,000
1984	85,252,000	8,742,000
1983	64,945,000	6,437,000
1982	45,006,300	3,857,000
1981	35,106,000	3,059,000

	No. of Com. Shares	Earn. per Share
1985	19,499,000	$ 0.07
1984	19,058,000	0.46
1983	17,940,000	0.36
1982	16,426,000	0.23
1981	15,878,000	0.19

× Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
19[illegible]	—	—	2-for-1
1983	—	—	—
1982	—	—	—
1981	—	33⅓%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 57,179,000	$ 2.90
1984	49,884,000	2.65
1983	40,622,000	2.24
1982	23,735,000	1.45
1981	19,191,000	1.38

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended	12/31/85	12/31/84
Net sales	$ 88,518,000	$ 85,252,000
Cost of sales	53,331,000	45,420,000
Expenses	33,875,000	27,099,000
Interest income	(789,000)	(1,649,000)
Interest expense	1,975,000	1,621,000
Income before taxes	$ 117,000	$ 12,761,000
Income taxes (credit)	(1,335,000)	4,019,000
Net Income	$ 1,452,000	$ 8,742,000

* Included in Costs and Expenses, Depreciation: $4,024,000 in 1985 and $2,337,000 in 1984.

Assets

As of	12/31/85	12/31/84
Cash	$ 1,849,999	$ 1,692,000
Cert. of deposit	4,560,000	16,158,000
Accts. receiv., net	27,127,000	24,182,000
Refundable income taxes	4,287,000	—
*Inventories	36,275,000	25,380,000
Prepaid expenses	1,634,000	546,000
Current Assets	$ 75,732,000	$ 68,083,000
#Fixed assets	42,178,000	19,201,000
Other assets	17,389,000	2,282,000
Total Assets	$ 135,299,000	$ 89,566,000

Liabilities

Note payable	$ 7,141,000	$ 6,613,000
Accts. payable	5,478,000	4,164,000
Accruals	8,975,000	5,828,000
Curr. Liabilities	$ 21,594,000	$ 16,605,000
Notes payable	38,427,000	18,445,000
Leases payable	12,830,000	113,000
Deferred inc. taxes	5,269,000	4,519,000
+Common stock	197,000	188,000
Add. paid-in capital	25,875,000	20,041,000
Retained earnings	31,107,000	29,655,000
Total Liabilities & Shareholders' Equity	$ 135,299,000	$ 89,566,000

* At lower of standard cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.13	14.97
%Net Income to Sales	1.64	10.25
%Net Income to Equity	2.54	17.52
Sales to Inventories	2.44	3.36
Working Capital	$54,138,000	$51,478,000
Current Ratio	3.51	4.10
Shareholders' Equity	57,179,000	$49,884,000

Computer Sciences Corporation

2100 E. Grand Avenue
El Segundo, California 90245
(213) 615-0311

Officers: William R. Hoover, chairman & president; George Barratt, v.p. & chief financial officer; Albert Gluckson, v.p., general counsel & secretary; Alvin E. Nashman, v.p. & president-Systems Group; Roy Nutt, v.p.; Denis M. Crane, v.p. & controller; Robert T. Knight, v.p., president-Information Network Services Group; Lawrence Parkus, v.p.-corporate development; A.B. Sims, v.p. & president-Industry Services Group; L. Scott Sharpe, v.p.-personnel.

Directors: William R. Hoover, chairman; George Barratt, Robert H. Bolman, Felix A. Kalinski, Alvin E. Nashman, Roy Nutt, Howard P. Allen, Robert R. Dockson.

Areas of Work: Plans, designs, engineers, integrates and operates computer-based systems and communications systems. It manages client computer facilities and provides operations and maintenance services for high-technology operations. It also provides value-added services in data communications, remote computing and distributed processing on its international communications network, and operates a number of other proprietary services for specific industries and markets.

Principal Operating Units:

Systems Group
6565 Arlington Boulevard
Falls Church, Virginia 22046

Applied Technology Division
Falls Church, Virginia

Defense Systems Division
Moorestown, New Jersey

Systems Division
Falls Church, Virginia

Systems Sciences Division
Silver Spring, Maryland

Systems International Division
Fairfax, Virginia

Information Network Services Group
2100 East Grand Avenue
El Segundo, California 90245

INFONET Division
El Segundo, California

Compufact
Garden Grove, California

Computer Sciences Canada, Inc.
Toronto, Ontario, Canada

Development and Operations Division
El Segundo, California

Government Systems Division
Arlington, Virginia

Industry Services Group
2100 East Grand Avenue
El Segundo, California 90245

Associated Credit Services, Inc.
Houston, Texas

Health and Administrative Services Division
Sacramento, California

Comtec, Inc.
Farmington Hills, Michigan

TACS Division
Los Angeles, California

CSC Computer Sciences Europe S.A.
350/358 Avenue Louise
Brussels, Belgium

CSC Computer Sciences Nederland B.V.
Zoetermeer, The Netherlands

Computer Sciences Company Limited
London, England

CSID-Computer Sciences International
Deutschland GmbH
Munich, Federal Republic of Germany

CSC Computer Sciences (Schweiz) AG
Zurich, Switzerland

Affiliate(s):

Computer Sciences of Australia Pty. Ltd.
460 Pacific Highway, St. Leonards
Sydney, New South Wales 2065
Australia

Transfer Agent(s):

Bank of America, N.T. & S.A.
Corporate Agency Service Center
55 Hawthorne Street
San Francisco, California 94105

American Transtech
8000 Baymeadows Way
Jacksonville, Florida 32216

Stock Exchange(s): New York, Pacific

Ticker Symbol: CSC

Number of Employees:

1985	15,800	1983	13,500
1984	13,900		

Plant Footage:

1985	2,455,000 sq. ft.	1983	640,000
1984	516,000		

Sales and Earnings

	Revenues	Net Income
1985	$ 723,493,000	$ 27,718,000
1984	712,224,000	18,266,000
1983	694,914,000	17,888,000
1982	630,174,000	17,781,000
1981	600,593,000	24,725,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	13,737,634	$ 2.02
1984	13,795,647	1.32
1983	13,601,866	1.32
1982	13,543,638	1.31
1981	13,583,284	1.82

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Systems group	$ 511,000	$ 514,000
Information network svcs. group	92,000	93,400
Industry services group	120,500	104,800
Total	$ 723,500	$ 712,200

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 186,221,000	$ 13.56
1984	158,327,000	11.60
1983	138,676,000	10.20
1982	119,681,000	8.81
1981	101,191,000	7.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	3/29/85	3/30/84
Revenues	$ 723,493	$ 712,224
Cost of services	593,294	584,109
Overhead	62,373	60,410
Depreciation & amortization	20,201	19,981
Interest expense	6,840	5,253
Interest & other income	(1,963)	(1,499)
Expenses	11,191	13,487
Gain from sale of oper.	(9,500)	—
Income before taxes	$ 41,057	$ 30,483
Income taxes	13,339	12,217
Net Income	$ 27,718	$ 18,266

Assets
(000's)

As of	3/29/85	3/30/84
Cash	$ 9,921	$ 6,664
Short-term invest.	8,090	6,106
Receivables	263,403	255,171
Prepaid expenses & other assets	8,260	7,173
Current Assets	$ 289,674	$ 275,114
Investments	50,984	38,094
#Fixed Assets	90,745	84,786
Total Assets	$ 431,403	$ 397,994

Liabilities
(000's)

Notes payable	$ 18,157	$ 22,635
Long-term debt., curr.	1,891	895
Accts. payable	22,787	36,806
Accruals	26,276	18,879
Accrued payroll	38,639	36,697
Advance contract payments	8,504	13,094
Income taxes	80,472	68,120
Curr. Liabilities	$ 196,726	$ 197,126
Long-term debt	13,519	5,104
6% sub. conv. deben.	34,937	37,437
+ Common stock	14,960	14,942
Add. paid-in capital	13,888	13,624
Retained earnings	168,202	140,484
Cum. curr. trans. res	(850)	(540)
Treasury stock	(9,979)	(10,183)
Total Liabilities & Shareholders' Equity	$ 431,403	$ 397,994

# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.67	4.28
%Net Income to Sales	3.83	2.56
%Net Income to Equity	14.88	11.54
Debt to Equity	0.18	0.18
Working Capital	$ 92,948,000	$ 77,988,000
Current Ratio	1.47	1.40
Shareholders' Equity	$186,221,000	$158,327,000

Computer Specialties Corporation

544 Tenth Street
Palisades Park, New Jersey 07650
(201) 947-0500

Officers: Edward Silver, president & treasurer; Lawrence Peskin, secretary.

Directors: Gerald Epner, Lawrence Peskin, Edward Silver.

Areas of Work: Involved in the manufacture and sale of micrographic equipment. Its products include PEPCO MFC Automatic Microfiche Cutter, the PEPCO MFI Microfiche Inspectors, and the PEPCO RPC roll paper cutter.

Divisions:

PEPCO Division

Transfer Agent(s):

Continental Stock Transfer & Trust Company

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	4	1982	6
1984	5	1981	7
1983	5		

Plant Footage:

1985	3,750 sq. ft.	1982	3,750
1984	3,750	1981	3,750
1983	3,750		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 278,994	$ 751
1984	242,760	23,838
1983	275,000	42,910
1982	301,258	71,084
1981	345,786	69,578

	No. of Com. Shares	Earn. per Share ‡†
1985	292,760	$ 0.02
1984	292,760	0.07
1983	292,760	0.15
1982	292,760	0.24
1981	292,760	0.24

‡ Including extraordinary loss of $18,081 ($0.07 per share) in 1984.
† Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 651,821	$ 2.23
1984	651,070	2.22
1983	627,232	2.14
1982	584,322	2.00
1981	513,238	1.75

Income Account *

Year ended June 30	1985	1984
Net sales	$ 278,994	$ 242,760
Cost of sales	130,270	141,318
Expenses	105,653	111,800
Oper. profit (loss)	$ 43,071	$ (10,358)
Other expense (income)	44,704	(54,296)
Income (loss) bef. taxes	$ (1,633)	$ 43,938
Income taxes (credit)	(2,384)	2,019
Net Income	$ 751	$ 41,919
Extraord. loss	—	(18,081)
Net Income & Extraord. loss	$ 751	$ 23,838

* Included in Costs and Expenses, Depreciation and Amortization: $4,897 in 1985 and $10,791 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 13,863	$ 14,387
Marketable securities	464,127	399,502
Accts. receiv., net	41,070	37,256
Notes receivable	9,319	9,319
*Inventories	100,236	85,323
Prepaid expenses & other receiv.	4,309	1,037
Current Assets	$ 632,924	$ 546,824
#Fixed assets	11,375	15,333
Other assets	28,150	108,970
Total Assets	$ 672,449	$ 671,127

Liabilities

Accts. payable	$ 6,070	$ 5,305
Accruals	13,236	6,323
Curr. Liabilities	$ 19,306	$ 11,628
Deferred taxes	1,322	8,429
+ Common stock	29,276	29,276
Add. paid-in capital	818,138	818,138
Retained earnings (deficit)	(195,593)	(196,344)
Total Liabilities & Shareholders' Equity	$ 672,449	$ 671,127

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	18.10
%Net Income to Sales	0.27	17.27
%Net Income to Equity	0.12	6.44
Sales to Inventories	2.78	2.85
Working Capital	$613,618	$535,196
Current Ratio	32.78	47.03
Shareholders' Equity	$651,821	$651,070

Computer Terminal Systems, Inc.

(Operating under Chapter XI of the U.S. Bankruptcy Code)

89 Arkay Drive
Hauppauge, New York 11788
(516) 435-2900

Officers: Gerald Schoenberg, president & chief executive officer; Edward Mermelstein, sr. v.p. & secretary; Elio Carlino, treasurer; Eugene J. Kelly, sr. v.p.-finance; Gerhard Schneider, v.p.-operations; Kenneth S. Oliver, v.p.-marketing; Bernard J. Stein, v.p.-engineering; Judith C. Hansen, secretary & executive asst. to president.

Directors: Edward Mermelstein, Kenneth Sonnenberg, Gerald Schoenberg, Donald W. Blood, David Gladstone, Eugene J. Kelly, Ronald D. Heath.

Computer Terminal Systems, Inc.

Areas of Work: Manufactures computer peripheral equipment, digital printers and industrial controls.

Transfer Agent(s):

Computer Terminal Systems, Inc.
Hauppauge, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTML (NASDAQ)

Number of Employees:

1984	N.A.	1981	90
1983	N.A.	1980	55
1982	N.A.		

Plant Footage:

1984	56,000 sq. ft.	1981	17,000
1983	56,000	1980	15,000
1982	56,000		

N.A.-Not Available.

Sales and Earnings

	Net Sales	Net Income
1984	$ 8,654,189	$ (24,224)
1983	5,527,941	(232,615)
1982	5,378,336	(290,000)
1981	4,191,306	148,000
1980	3,678,890	345,000

	No. of Com. Shares +	Earn. per Share +
1984	1,487,002	$ —
1983	1,445,418	—
1982	1,445,430	—
1981	1,445,430	0.10
1980	1,445,438	0.24

(Loss)
+ Adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1984	$ 1,219,969	$ 0.82
1983	1,097,547	0.76
1982	1,330,162	0.92
1981	1,620,281	1.12

+ Adjusted to reflect stock splits.

Income Account *

Year ended April 30	1984	1983
Net sales	$ 8,654,189	$ 5,527,941
Cost of sales	6,227,404	4,059,533
Expenses	1,789,230	1,475,844
Other expense	646,880	244,779
Prov. for loss on invest.	14,899	293,000
Loss bef. taxes	$ (24,224)	$ (545,215)
Tax credit	—	(312,600)
Net Loss	$ (24,224)	$ (232,615)

* Included in Costs and Expenses, Depreciation and Amortization. $271,214 in 1984 and $215,120 in 1983.

Assets

As of April 30	1984	1983
Cash	$ 113,389	$ 87,601
Accts. receiv., net	1,522,881	999,511
*Inventories	2,349,378	1,661,836
Prepaid expenses	47,437	22,923
Refund. inc. taxes	12,278	239,394
Deferred income tax benefit	8,300	25,900
Receivables	3,100,000	—
Current Assets	$ 7,153,663	$ 3,037,165
#Fixed assets	1,463,881	4,280,674
Due from affil.	—	22,115
Other assets	41,301	41,432
Total Assets	$ 8,658,845	$ 7,381,386

Liabilities

Loans payable	$ 1,361,840	$ 502,949
Install. debt pay.	203,621	181,919
Notes pay.-contractors	5,571	236,865
Notes pay.-trade	369,165	173,001
Accts. payable	1,536,741	1,529,344
Accruals & other liab.	668,898	364,825
Mortgages payable	2,162,670	—
Curr. Liabilities	$ 6,308,506	$ 2,988,903
Long-term debt	1,083,670	3,155,636
Loan payable-officers	—	75,000
Deferred income taxes	46,700	64,300
+Common stock	148,700	144,542
Add. paid-in capital	701,956	559,468
Retained earnings	369,313	393,537
Total Liabilities & Shareholders' Equity	$ 8,658,845	$ 7,381,386

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	3.68	3.33
Working Capital	$ 845,157	$ 48,262
Current Ratio	1.13	1.02
Shareholders' Equity	$1,219,969	$1,097,547

Computer Transceiver Systems, Inc.

P.O. Box 15
East 66 Midland Avenue
Paramus, New Jersey 07652
(201) 261-6800

Officers: Allen G. Jacobson, president & chief executive officer; Seymour D. Balkin, chief financial officer & controller; Berthold Salz, sr. v.p.; Robert A. Norman, v.p.-marketing; Paul Buccola, v.p.-operation; Donald A. Weigel, v.p.-engineering; Irwin Roth, secretary; Seymour H. Bucholz, asst. secretary.

Directors: Allen G. Jacobson, Robert E. Wernikoff, Robert E. Morris, Michael L. Wolfe, Harry Zimmerman.

Areas of Work: Manufactures portable terminals and painting systems.

Transfer Agent(s):

Chemical Bank
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTSI (NASDAQ)

Number of Employees:

1986	45	1985	68

Plant Footage:

1986	21,000 sq. ft.	1985	21,000

Sales and Earnings

	Net Sales	Net Income
1986	$ 2,681,000	$ (1,352,000)
1985	3,515,000	(1,973,000)
1984	5,164,000	(154,000)
1983	6,489,000	223,000
1982	5,273,000	79,000

	No. of Com. Shares	Earn. per Share ‡
1986	822,805	$ —
1985	812,305	—
1984	800,305	—
1983	790,305	0.28
1982	776,596	0.10

(Loss)
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 627,000	$ 0.76
1985	1,945,000	2.39
1984	3,908,000	4.88
1983	3,996,000	5.06
1982	3,693,000	4.76

Income Account *

Year ended February 28	1986	1985
Net sales	$ 839,099	$ 791,191
Other income	1,841,735	2,724,053
Total income	$ 2,680,834	$ 3,515,244
Cost of sales	1,149,529	1,897,722
Deprec. of leased equip.	287,659	439,776
Equip. serv. exp.	962,664	1,046,263
Expenses	1,662,384	2,000,321
Interest expenses	147,032	153,890
Loss before taxes	$ (1,528,434)	$ (2,022,728)
Tax credit	(176,450)	(50,007)
Net Loss	$ (1,351,984)	$ (1,972,721)

* Included in Costs and Expenses, Depreciation and Amortization: $397,766 in 1986 and $580,427 in 1985.

Assets

As of February 28	1986	1985
Cash	$ 366,504	$ 78,069
Accts. receiv., net	369,105	400,115
Invest. - sales type lease	—	822,545
*Inventories	918,852	1,234,374
Prepaid expenses	29,120	43,955
Current Assets	$ 1,683,581	$ 2,579,058
Equip. leased to others	377,004	748,924
#Fixed assets	227,390	303,729
Other assets	33,109	39,913
Total Assets	$ 2,321,084	$ 3,672,624

Liabilities

Notes payable	$ 500,000	$ 500,000
Accts. payable	266,008	219,943
Accrued liabilities	246,131	177,006
Advances on service contracts	96,491	91,854
Curr. Liabilities	$ 1,108,630	$ 988,803
Long-term debt	585,001	559,393
Deferred income taxes	—	179,000
+Common stock	8,228	8,123
Add. paid-in capital	2,400,288	2,381,894
Retained earnings deficit	(1,748,050)	(396,066)
Deferred compensation	(33,013)	(48,523)
Total Liabilities & Shareholders' Equity	$ 2,321,084	$ 3,672,624

* At lower of cost (FIFO) or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	0.91	0.64
Debt to Equity	1.73	0.54
Working Capital	$574,951,590	$1,590,255
Current Ratio	1.52	2.61
Shareholders' Equity	$ 627,453	$1,945,428

Computervision Corporation

100 Crosby Drive
Bedford, Massachusetts 01730
(617) 275-1800

Officers: Martin Allen, chairman; Robert L. Gable, president & chief executive officer; Lon F. Bonczek, Jr., v.p.-human resources; Richard L. Buckingham, treasurer; Robert Callaway, v.p. & gen. mgr.-operations division; David Friedman, v.p.-Product Technology; Karl H. Geng, v.p. & gen. mgr.-worldwide services; Robert P. Gothie, v.p. & gen. mgr.-international sales; Richard I. Krieger, v.p.-finance & chief financial officer; Victor Larkin, v.p.-business development; Philip L. Read, sr. v.p.; Richard V. Paulson, v.p. & gen. mgr.-research & development; Allan R. Campbell, staff v.p., corp. counsel & asst. secretary; Peter D. Connell, dir.-corp. communications.

Directors: Martin Allen*, chairman; Boruch B. Frusztajer, Robert L. Gable*, Philip L. Read*, Herbert Roth, Jr *, Robert C. Wilson.

* Member of the Executive Committee.

Areas of Work: Engaged primarily in the design, development, manufacture and marketing of computer-controlled systems which automate critical phases of the product cycle, including concept development, detailed design drafting, and production. These systems, which include both hardware and software, enable customers to automate certain repetitive design and manufacturing processes which generally are performed manually with conventional equipment. The Company's products are used in the design and preparation of graphical data in a wide spectrum of industries, including the automotive, aerospace, communication, electronics, and mapping industries, and in automated production and testing in the electronics and semiconductor industries, and architectural and construction firms for structural designs.

Divisions and Subsidiaries:

Computervision B.V.
Rotterdam, Holland

Computervision AB
Bromma, Sweden

Computervision Oy
Helsinki, Finland

Computervision S.A.
Paris, France

Computervision GmbH
Munich, West Germany

Computervision, S.p.A.
Milan, Italy

Computervision, Limited
Basingstoke, England

Computervision, N.V.
Brussels, Belgium

Computervision do Brasil
Industria E Comercio Limitada
Sao Paulo, Brazil

Computervision Japan, Ltd.
Tokyo, Japan

Computervision A/S
Oslo, Norway

Computervision de Espana, S.A.
Madrid, Spain

Computervision Australia, Ltd.
Australia

Computervision Canada Inc.
Ontario, Canada

Computervision Designer Systems (HK) Ltd.
Hong Kong

Computervision (Europe) Inc.
Hayes, England

Computervision Danmark A/S
Copenhagen, Denmark

Computervision Applied Graphics Systems AG
Zurich, Switzerland

Computervision Produktion GmbH
West Germany

Organization for Industrial Research Division
Waltham, MA

Grado Software und Computer Systeme GmbH
West Germany

Cambridge Interactive Systems Limited
United Kingdom

OIR Europe Inc.
Holland

Computervision China, Inc.
Beijing, China

Computervision Productivity Centre, Ltd.
Hayes, England

CV Holdings, Inc.
Bedford, Massachusetts

CIS MEDUSA, INC.
Bedford, Massachusetts

Computervision Handelsgesellschaft m.b.H.
Wein, Austria

Computervision Coordination Centre S.A.
Brussels, Belgium

Designer Systems Insurance Ltd.
Bermuda

Computervision Industries S.A.
Nancy, France

CIS Medusa B.V.
Rotterdam, Holland

Computervision Foreign Sales BV
Holland

Computervision UK Holdings Ltd.
England

CIS, Inc.
Cambridge, Massachusetts

Computervision Produktion GmbH
West Germany

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: CVN

Number of Employees:

1985	4,770	1982	4,130
1984	6,530	1981	3,800
1983	5,070		

Plant Footage:

1985	1,915,000 sq. ft.	1982	1,537,000
1984	2,180,000	1981	1,361,000
1983	1,850,000		

Sales and Earnings

	Revenues #	Net Income +
1985	$ 441,137,000	$ (80,777)
1984	556,342,000	47,726,000
1983	400,032,000	35,340,000
1982	325,185,000	32,381,000
1981	270,706,000	31,763,000

	No. of Com. Shares †	Earn. per Share ‡ +
1985	28,724,553	$ —
1984	28,621,030	1.66
1983	28,320,808	1.24
1982	27,410,562	1.18
1981	27,295,905	1.16

(Loss)
# Of continuing operations only.
+ Including extraordinary gain of $3,715,000 ($0.13 per share) in 1984.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding, including shares issuable under stock options adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 186,227,000	$ 6.49
1984	263,366,000	9.20
1983	219,995,000	7.77
1982	179,780,000	6.56
1981	144,993,000	5.31

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 441,137,000	$ 556,342,000
Cost of sales	287,390,000	255,813,000
Expenses	265,488,000	226,828,000
Other expense (income)	2,141,000	(820,000)
Interest expense	16,207,000	7,265,000
Interest income	(2,312,000)	(2,470,000)
Inc. (loss) bef. taxes	$ (127,777)	$ 69,726,000
Income taxes	47,000	22,000,000
Inc. (loss) -cont. oper.	$ (80,777)	$ 47,726,000
Loss - discont. oper.	—	(10,000,000)
Net Income (Loss)	$ (80,777)	$ 37,726,000
Extraord. gain	—	3,715,000
Net Income (Loss) & extraord. gain	$ (80,777)	$ 41,441,000

* Included in Costs and Expenses, Depreciation and Amortization: $57,595,000 in 1985 and $40,677,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,627,000	$ 1,956,000
Investments	13,675,000	55,608,000
Accts. receiv., net	130,196,000	182,237,000
Refund. inc. taxes	36,264,000	—
*Inventories	51,553,000	63,272,000
Prepaid expenses	.5,949,000	5,711,000
Current Assets	$ 240,264,000	$ 308,784,000
#Fixed assets	139,615,000	156,788,000
Serv. spares & materials	47,561,000	50,458,000
Other assets & notes receiv.	11,075,000	22,427,000
Total Assets	$ 438,515,000	$ 538,457,000

Liabilities

Notes payable, long-term debt & cap. lease oblig., curr.	$ 19,323,000	$ 19,469,000
Accts. payable	33,510,000	45,803,000
Accruals	43,758,000	45,346,000
Accrued income taxes payable	7,069,000	11,712,000
Curr. Liabilities	$ 103,660,000	$ 122,330,000
Long-term debt	34,503,000	34,024,000
Convertible sub. debtures	110,000,000	110,000,000
Deferred income taxes & credits	4,125,000	8,737,000

Computervision Corporation

+Common stock	1,436,000	1,431,000
Add. paid-in capital	80,267,000	78,285,000
Retained earnings	103,360,000	184,137,000
Cum. trans. adj.	1,164,000	(487,000)
Total Liabilities & Shareholders' Equity	$ 438,515,000	$ 538,457,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	12.53
%Net Income to Sales	—	6.78
%Net Income to Equity	—	14.32
Sales to Inventories	8.56	8.79
Debt to Equity	0.29	0.20
Working Capital	$136,604,000	$186,454,000
Current Ratio	2.32	2.52
Shareholders' Equity	$186,227,000	$263,366,000

Comtech Inc.

North Shore Atrium II
6900 Jericho Turnpike
Syosset, New York 11791
(516) 496-7040

Officers: F. Kornberg, chairman of the board & chief executive officer; G.A. Reed, president & chief operating officer; Earle Schaller, Milton L. Deever, Leonard Kardon, William R. McEwen, Jr., v.p.'s.; Joseph P. Scherer, v.p., general counsel & secretary; Michael H. Taber, controller & treasurer.

Directors: F. Kornberg, chairman; B. Adler, G. Bugliarello, M.L. Deever, S.S. Weiner, G. Reed, J. Schein, J. Davis.

Areas of Work: Designs and markets fully integrated communication terminals, including antennas; receiving and transmitting systems for satellite communication earth stations and for microwave and troposcatter communications using FM, video, voice and digital data signals; high power and low noise amplifiers for communication, radar and ECM applications; communication system test equipment; digital communication systems; SCPC equipment; digital modems, coders, decoders, signal processing and switching equipment; CATV earth station.

Divisions and Subsidiaries:

Comtech Data Corporation
Scottsdale, Arizona

Comtech Microwave Corp.
Hauppauge, New York

Premier Microwave Corp.
Port Chester, New York

Comtech Government Systems Division
Hauppauge, New York

Comtech Antenna Corp.
St. Cloud, Florida

Acquisition(s):

Premier Microwave Corporation
33 New Broad Street
Port Chester, New York 10573
(914) 939-8900

Designs, manufactures and markets microwave components including coaxial and wave-guide components and printed circuit analogs of these components.

Comtech Communications Corp.
6150 Lookout Road
Boulder, Colorado 80301

Produces microprocessor-controlled telephone voice concentrating/multiplexing and related equipment.

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMTL (NASDAQ)

Number of Employees:

1983 . . . . . . 730 1982 520

Plant Footage:

1983 . . . . . . 290,000 sq. ft. 1982 226,000

Sales and Earnings

	Net Sales +	Net Income #
1983	$ 36,589,000	$ 1,409,000
1982	33,487,000	2,380,000
1981	31,669,000	1,194,000
1980	25,221,000	(10,670,000)
1979	30,496,000	941,000

	No. of Com. Shares †	Earn. per Share ‡#
1983	3,844,465	$ 0.36
1982	3,735,232	0.64
1981	3,557,066	0.33
1980	3,492,946	—
1979	3,478,746	0.26

(Loss)
+ Of continuing operations only.
Including extraordinary gains of $1,024,000 ($0.28 per share) in 1982 and $585,000 ($0.16 per share) in 1981.
† Adjusted to reflect stock dividend.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1983	—	—	—
1982	—	—	—
1981	—	—	—
1980	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1983	$ 10,042,000	$ 2.61
1982	5,625,000	1.51
1981	2,854,119	0.80
1980	1,241,651	0.36
1979	11,770,523	3.38

† Adjusted to reflect stock dividend.

Income Account *

Year ended July 31	1983	1982
Net sales	$ 36,589,000	$ 33,487,000
Cost of sales	24,658,000	23,232,000
Expenses	8,763,000	6,528,000
Interest expense	1,122,000	1,312,000
Gain on sale of assets	—	(248,000)
Income before taxes	$ 2,046,000	$ 2,663,000
Income taxes	680,000	1,164,000
Inc. cont. oper.	$ 1,366,000	$ 1,499,000
Inc. (loss)-discont. oper.	43,000	(143,000)
Net Income	$ 1,409,000	$ 1,356,000
Extraord. gain	—	1,024,000
Net Income & Extraord. gain	$ 1,409,000	$ 2,380,000

* Included in Costs and Expenses, Depreciation and Amortization: $937,000 in 1983 and $693,000 in 1982.

Assets

As of July 31	1983	1982
Cash & short-term invest.	$ 2,780,000	$ 4,316,000
Accts. receiv., net	11,666,000	5,662,000
*Inventories	14,760,000	3,516,000
Other curr. assets	825,000	213,000
Current Assets	$ 30,031,000	$ 13,707,000
#Fixed assets	10,394,000	5,278,000
Other assets	1,738,000	694,000
Total Assets	$ 42,163,000	$ 19,679,000

Liabilities

Accts. payable	$ 2,570,000	$ 1,233,000
Accruals & taxes withheld	5,506,000	3,291,000
Adv. contract pay. receiv.	204,000	690,000
Est. loss on contracts	2,307,000	2,517,000
Long-term debt, curr	1,285,000	356,000
Curr. Liabilities	$ 11,872,000	$ 8,087,000
Long-term debt.	19,687,000	5,967,000
Def. inc. taxes pay.	562,000	—
+Common stock	385,000	374,000
Add. paid-in capital	6,729,000	3,732,000
Retained earnings	2,928,000	1,519,000
Total Liabilities & Shareholders' Equity	$ 42,163,000	$ 19,679,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	14.03	24.11
Sales to Inventories	2.48	9.52
Working Capital	$18,159,000	$5,620,000
Current Ratio	2.53	1.69
Shareholders' Equity	$10,042,000	$5,625,000

Conrac Corporation

Three Landmark Square
Stamford, Connecticut 06901
(203) 348-2100

Officers: Donald H. Putnam, president & chief exec. officer; Paul E. Graf, president & chief operating officer; Clyde W. Kaertcher, v.p.-finance; Joseph O'Donnell, v.p. & group mgr.; Thomas J. Harriman, v.p.-development; Lawrence M. Ryan, v.p.; Robert J. Ersen, secretary; Joseph F. Smorada, controller.

Directors: Walter Burke*, Daniel T. Carroll*, John C. Lowe, Donald H. Putnam, Arthur H. Thornhill, Jr., Frederick S. Wonham, Thomas K. Denton*, Paul E. Graf. Barry J. Gordon, J. Markham Green.

* Member of the Executive Committee.

Divisions and Subsidiaries:

Code-A-Phone Corp.
16261 S.E. 130th Avenue
Clackamas, Oregon 97015

Manufactures call controllers, sequences, telephone answering machines.

Alston Division
1724 S. Mountain Avenue
Duarte, California 91010
(213) 357-2121

Manufactures telephone traffic monitoring equipment, telephone service observing equipment and telephone billing equipment.

Goodrich Division
3560 Chicago Drive
Hudsonville, Michigan 49426
(616) 669-1000

Automatic welding equipment, resistance welding transformers.

Rixson-Firemark Division, Inc.
9100 West Belmont Avenue
Franklin Park, Illinois 60131
(312) 671-5670

Smoke-operated door closers, concealed and overhead closers, external and internal door pivots, fire and intrusion protection products.

Conrac Division
600 N. Rimsdale Avenue
Covina, California 91722
(213) 966-3511

Computer graphic displays, video monitors, alpha-numeric CRT displays.

Conrac Elektron GmbH (Subsidiary)
Weikersheim, Germany
Electronic teaching products, computer peripheral equipment, large audience information displays.

Systems Components & Displays Division
1600 S. Mountain Avenue
Duarte, California 91010
(213) 359-9141
Products include aerospace transducers, mil-spec video displays, aircraft control systems.

Transfer Agent(s):

Harris Trust Co. of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York, Pacific

Ticker Symbol: CAX

Number of Employees:

1985	1,391	1982	1,638
1984	1,603	1981	1,785
1983	1,905		

Plant Footage:

1985	666,000 sq. ft.	1982	698,000
1984	N.A.	1981	698,000
1983	864,000 sq. ft.		

N.A.-Not Available.

Sales and Earnings

	Net Sales †	Net Income
1985	$ 150,289,000	$ 7,231,000
1984	154,284,000	13,013,000
1983	141,136,000	6,985,000
1982	116,261,000	8,065,000
1981	114,708,000	3,251,000

	No. of Com. Shares +	Earn. per Share + #
1985	6,030,000	$ 1.19
1984	6,012,000	2.12
1983	6,161,000	1.18
1982	4,536,000	1.76
1981	4,339,000	0.67

† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the average number of common shares outstanding assuming no dilution.

Revenues By Line of Business

	1985	1984
Info. display	$ 52,630,000	$ 48,444,000
Communications & control	23,774,000	20,962,000
Architectural & indust. products	30,662,000	28,319,000
Code-A-phone	40,014,000	43,125,000
Divested businesses	3,209,000	13,434,000
Total	$ 150,289,000	$ 154,284,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.40	—	—
1984	0.40	—	—
1983	0.40	—	2-for-1
1982	0.40	—	—
1981	0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1985	$ 90,433,000	$ 15.00
1984	85,113,000	14.16
1983	76,634,000	12.44
1982	47,163,000	10.40
1981	38,163,000	8.80

‡ After allowing for preferred stock, Series A and Series B at liquidation value of $50 per share.
+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 150,289	$ 154,284
Cost of sales	109,920	114,857
Expenses	25,996	27,732
Interest expense	908	945
Nonrecurring items	—	(15,073)
Income before taxes	$ 13,465	$ 25,823
Income taxes	6,234	12,810
Net Income	$ 7,231	$ 13,013

* Included in Costs and Expenses, Depreciation and Amortization: $3,729,000 in 1985 and $4,072,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 7,239	$ 3,302
Accts. receiv., net	33,760	33,215
*Inventories	35,722	41,825
Prepaid expenses	6,243	9,527
Current Assets	$ 82,964	$ 87,869
#Fixed assets	22,783	23,098
Other assets & intangibles	23,806	22,848
Total Assets	$ 129,553	$ 133,815

Liabilities
(000's)

	1985	1984
Notes payable	$ 7,165	$ 14,858
Long-term debt, current	1,780	1,705
Accts. payable	5,760	7,272
Accrued payroll	3,460	3,469
Income taxes	2,816	3,072
Other liabilities	9,264	8,239
Curr. Liabilities	$ 30,245	$ 38,615
Long-term debt	4,955	7,099
Deferred inc. taxes	2,091	1,159
+ Preferred stock:		
Series A	25	25
Series B	158	158
+ + Common stock	4,078	4,059
Add. paid-in capital	38,055	37,643
Retained earnings	53,478	48,733
For. curr. trans. adj.	201	(217)
Treasury stock	(3,733)	(3,459)
Total Liabilities & Shareholders' Equity	$ 129,553	$ 133,815

* At lower of average cost or market.
# Less accumulated depreciation & amortization.
+ $5 par value; $2 cumulative convertible.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.96	16.74
%Net Income to Sales	4.81	8.43
%Net Income to Equity	7.84	14.97
Sales to Inventories	4.21	3.69
Debt to Equity	0.07	0.10
Working Capital	$52,719,000	$49,254,000
Current Ratio	2.74	2.28
Shareholders' Equity	$92,262,000	$86,942,000

Control Data Corporation

8100 34th Avenue South
Minneapolis, Minnesota 55420
(612) 853-8100

Mailing address:
P.O. Box 0
Minneapolis, Minnesota 55440

Officers: Robert M. Price, chairman of the board, president & chief exec. officer; Norbert R. Berg, deputy chairman; Eugene L. Baker, v.p.-resource management services; Walter H. Bruning, president-United School Services of America, Inc.; Joseph D. Minutilli, chairman, president & chief exec. officer-Commercial Credit Co.; Gordon R. Brown, sr. v.p.-business ventures; Franklin R. Dawe, v.p.-personnel & administration; Robert W. Duncan, sr. v.p.-corp. marketing & strategic development; Jack J. Karnowski, v.p. & treasurer; Thomas W. Miller, president-Technical Support Services Group; Lawrence Perlman, pres.-data storage products group; L. Charles Roskam, sr. v.p.-operations, finance & controller; Herbert F. Trader, president-Business Development Group; George F. Troy, v.p.-corp. planning & analysis; Henry J. White, sr. v.p.-operations; Daniel R. Pennie, v.p., gen. counsel & secretary; David P. White, president-Business Services Group; Larry E. Jodsas, president-Computer Systems & Services Group; Thomas C. Roberts, president-international operations; Frank J. Ryan, v.p.-communications.

Directors: William C. Norris, Russell A. Nelson, Bernard A. Schriever, Judson Bemis, Norbert R. Berg*, Robert M. Price*, Richard G. Lareau*, Leroy F. Stutzman, James C. Worthy, Lois Dickson Rice, Michael W. Wright, Ralph Hofstad, Ruth M. Davis, Robert W. Duncan, Lawrence Perlman, Henry J. White.
* Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets computers, ranging from very large to small in size, and used in education, engineering, general data processing and specialized control systems worldwide; also makes and markets industrial instruments and controls and aerospace products. Markets computer peripheral equipment, including disk drives, magnetic tape transports, printers, card readers, card punches, terminals, data entry systems, mass storage systems and computer supplies, such as disk packs and magnetic tape. Provides computer services, data services utilizing communications networks and major computer centers, processes scientific, engineering and business data. Professional services include maintenance, architectural design, consulting and education. Commercial Credit Company, a wholly-owned subsidiary, provides financial services through more than 800 offices in the U.S., Canada, Europe and Asia. These include personal loans, installment financing, business loans and leasing services, vehicle and equipment leasing, factoring, real estate financing, and life, health, credit and casualty insurance.

Divisions and Subsidiaries:

Computer Systems and Services Group
Business Services Group
Business Development Group
Data Storage Products Group
Government Systems Group
Technical Support Service Group
United School Services of America, Inc.

Commercial Credit Company
Financial services.

ARB (American Research Bureau), Inc.
4320 Ammendale Road
Beltsville, Maryland 20705

Autocon Industries, Inc.
2200 Berkshire Lane
Minneapolis, Minnesota 55427

ETA Systems, Inc.
Designs, manufactures and markets scientific computers.

The Service Bureau Corporation
1350 Avenue of the Americas
New York, New York 10019

Joint Ventures:

Magnetic Peripherals, Inc. (67% owned)
Computer Peripherals, Inc. (80% owned)
Optical Storage International (49% owned)
Product emphasis in the joint ventures is on high-performance, high-capacity drives for microcomputers, engineering workstations, mini computers and mainframes.

Control Data Corporation

Transfer Agent(s):

First Trust Company, Inc.
P.O. Box 64008
St. Paul, Minnesota 55164

First Trust Company, Inc.
c/o Bradford Trust
67 Broad Street
New York, New York 10004

Stock Exchange(s): New York, Midwest, Pacific, Toronto, Frankfurt, Lausanne, Geneva, Zurich, Basle, Amsterdam.

Ticker Symbol: CDA

Number of Employees:

1985	44,308	1982	56,005
1984	54,123	1981	60,627
1983	55,858		

Sales and Earnings ×

	Revenues (000's)	Net Income (000's)
1985	$ 3,679,700	$ (567,500)
1984	3,692,600	5,100
1983	3,407,800	161,700
1982	3,182,600	155,100
1981	3,101,300	170,600

	No. of Com. Shares ‡	Earn. per Share ‡
1985	39,022,000	$ —
1984	38,520,000	0.12
1983	38,338,000	4.20
1982	37,595,000	4.11
1981	37,735,000	4.48

(Loss)
× Restated to reflect change in accounting for investment in Commercial Credit, a wholly-owned financial services subsidiary, from consolidation to recording it on an equity basis.
‡ Based on the weighted average number of common stock and common stock equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.54	—	—
1984	0.66	—	—
1983	0.60	—	—
1982	0.550	—	—
1981	0.475	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity ×

	Total Equity ‡ (000's)	Equity Per Share
1985	$ 1,191,600	$ 29.21
1984	1,747,500	45.63
1983	1,814,000	47.59
1982	1,713,500	46.10
1981	1,564,100	42.20

× Restated.
‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984 ‡
Net sales & rentals	$ 2,125,600	$ 2,355,000
Services	1,554,100	1,337,600
Total revenues	$ 3,679,700	$ 3,692,600
Cost of sales & rentals	1,683,000	1,596,900
Cost of services	899,100	765,800
Expenses	752,800	742,800
Technical expenses	438,300	416,900
Interest expense	115,700	90,000
Oper. & invest. restruc.	274,800	130,200
Loss before taxes	$ (484,000)	$ (50,000)
Income taxes (credit)	43,700	(30,800)
Minority interest	35,000	25,300
Net loss (earn.) of Commercial Credit	4,800	(49,600)
Net Income (Loss)	$ (567,500)	$ 5,100

* Included in Costs and Expenses, Depreciation and Amortization: $208,600,000 in 1985 and $199,000,000 in 1984.
‡ Restated.

Assets
(000's)

As of Dec. 31	1985	1984 ‡
Cash	$ 81,400	$ 49,600
Accts. receiv., net	566,900	621,400
*Inventories	656,400	864,500
Deferred inc. taxes	16,400	5,700
Prepaid expenses	17,900	21,700
Current Assets	$ 1,339,000	$ 1,562,900
Investments	999,100	1,050,000
†Leased & data ctr. equip.	414,000	428,900
Other assets	102,100	135,400
Defer. inc. taxes	—	42,800
Total Assets	$ 3,072,500	$ 3,489,200

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 413,200	$ 118,100
Amts. due Commercial Credit	93,200	127,600
Accts. payable	238,000	290,400
Cust. advances	151,600	189,100
Accrued taxes	43,900	45,200
Accrued payroll	115,100	105,900
Other accruals	405,200	222,500
Curr. Liabilities	$ 1,460,200	$ 1,098,800
Long-term debt	96,200	322,600
Amts. due Comm. Credit	141,600	179,200
Minority interest	69,400	68,300
Deferred inc. taxes	18,600	—
Other liabilities	83,900	61,500
+ Preferred stock	11,000	11,300
+ + Common stock	20,600	19,300
Add. paid-in capital	550,200	511,200
Retained earnings	763,900	1,352,800
For. curr. trans. adjust.	(98,200)	(119,900)
Other items	(44,900)	(15,900)
Total Liabilities & Shareholders' Equity	$ 3,072,500	$ 3,489,200

‡ Restated.
* At lower of cost (FIFO or average) not in excess of realizable values.
# Less accumulated depreciation and amortization.
† Less accumulated depreciation.
+ $100 par value; 4½% cumulative.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	—
%Net Income to Sales	—	0.22
%Net Income to Equity	—	0.29
Debt to Equity	0.42	0.25
Working Capital	—	$ 464,100,000
Current Ratio	—	1.42
Shareholders' Equity	$1,202,600,000	$1,758,800,000

Control Laser Corporation

7503 Chancellor Drive
Orlando, Florida 32809
(305) 851-2540

Officers: Robert D. van Roijen, Jr., chairman; B.G.L. Switzer, president; J. Allan Krul, exec. v.p. & chief operating officer; Roy D. Ray, John F. Rogers, William Walton, v.p.'s; I. Townsend Burden, III, secretary; H. Bowen Gillespie, controller.

Directors: Robert D. van Roijen, Jr., chairman of the board; I. Townsend Burden III, Childs F. Burden, Robert L. Tull.

Areas of Work: Engaged in the development, manufacture and marketing of high powered industrial lasers. Solid state lasers, gas lasers, dye lasers and accessories are marketed to original equipment manufacturers, universities and laboratories.

Subsidiaries:

Control Laser Limited
Broad March
Long March Industrial Estate
Daventry, Northants
England NN11 4NR

Holobeam Laser, Inc.
Laser Cybernetics

Transfer Agent(s):

Barnett Bank Trust Company, N.A.
Jacksonville, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CLSR (NASDAQ)

Number of Employees:

1985 217

Plant Footage:

1985 . . . . . . 75,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 15,533,928	$ (978,645)
1984	15,806,790	(1,733,213)
1983	15,980,792	(5,119,764)
1982	13,240,145	(1,259,260)
1981	14,202,404	1,429,914

	No. of Com. Shares †	Earn. per Share †
1985	3,128,244	$ —
1984	3,118,163	—
1983	3,109,141	—
1982	3,094,385	—
1981	3,050,256	0.47

(Loss)
+ Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 7,024,385	$ 2.25
1984	7,671,053	2.46
1983	9,341,031	3.00
1982	14,593,094	4.72
1981	15,741,699	5.16

‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 15,533,928	$ 15,806,790
Cost of sales	9,365,893	12,840,262
Expenses	6,088,765	8,430,507
Interest expense	742,528	873,228
Gain on sale	—	(5,842,005)
Loss on market. secur.	—	1,123,343
Other expense	315,387	74,668

Loss before taxes	$ (978,645)	$ (1,693,213)
Income taxes	—	40,000
Net Loss	$ (978,645)	$ (1,733,213)

* Included in Costs and Expenses, Depreciation and Amortization: $690,871 in 1985 and $837,305 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,508	$ 171,127
Marketable securities	—	5,551,205
Accts. receiv., net	3,857,101	2,019,925
Investment	59,009	60,693
Notes receiv.	158,475	—
*Inventories	6,394,830	6,229,687
Prepaid expenses	191,722	81,649
Current Assets	$ 10,663,645	$ 14,114,286
#Fixed assets	3,113,231	3,131,829
Other assets	768,924	487,586
Total Assets	$ 14,545,800	$ 17,733,701

Liabilities

Bank overdraft	$ 1,088,221	$ —
Oblig. under cap. leases, curr.	92,753	87,203
Accts. payable	1,156,477	983,816
Notes payable	236,742	—
Accruals	1,638,713	1,586,835
Curr. Liabilities	$ 4,212,906	$ 2,657,854
Long-term debt	3,135,879	7,139,412
Oblig. under cap. leases	172,630	265,382
+ Common stock	31,315	31,269
Add. paid-in capital	12,330,239	12,310,915
Retained earnings (deficit)	(5,039,059)	(4,060,414)
Unrealized currency losses	(294,743)	(607,350)
Treasury stock	(3,367)	(3,367)
Total Liabilities & Shareholders' Equity	$ 14,545,800	$ 17,733,701

* At lower of cost (FIFO or accumulated production costs) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	2.43	2.54
Debt to Equity	0.48	0.98
Working Capital	$6,450,739	$11,456,432
Current Ratio	2.53	5.31
Shareholders' Equity	$7,024,385	$7,671,053

Convergent Technologies, Inc.

2700 North First Street
San Jose, California 95150
(408) 434-2848

Officers: Paul C. Ely, Jr., president & chief exec. officer; William R. Harris, v.p. & chief manufacturing officer; Richard G. Meise, v.p. & chief marketing officer; John M. Russell, v.p. & chief financial officer; Eric D. Carlson, v.p.; Zoltan A. Csimma, v.p.-human resources; Richard L. Fischer, controller; Scott C. Neely, secretary.

Directors: Paul C. Ely, Jr., William G. Ouchi, Richard J. Riordan, William D. Rollnick, Larry W. Sonsini, James A. Unruh.

Areas of Work: Develops, manufacteres and markets microprocessor-based computers and computer systems used in a variety of networked computing applications.

Transfer Agent(s):

Bank of America NT&SA
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CVGT

Number of Employees:

1985 . . . . . . 1,994 1984 1,666

Sales and Earnings

	Revenues +	Net Income
1985	$ 395,167,000	$ 11,513,000
1984	361,772,000	(13,827,000)
1983	163,213,000	14,903,000
1982	96,462,000	11,915,000
1981	13,105,000	777,000

	No. of Com Shares ‡	Earn. per Share ‡
1985	36,314,000	$ 0.32
1984	36,164,000	—
1983	37,460,000	0.40
1982	28,675,000	0.42
1981	17,543,000	0.04

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 227,615,000	$ 6.27
1984	213,148,000	5.89
1983	223,560,000	5.97
1982	79,604,000	2.78
1981	12,154,000	0.69

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Product sales	$ 392,248	$ 355,411
Software license sales	2,919	6,361
Total revenue	$ 395,167	$ 361,772
Cost of sales	305,643	310,451
Product development	28,355	18,161
Expenses	47,064	37,631
Other income	(4,025)	(1,761)
Inc. (loss) bef. taxes	$ 18,130	$ (2,710)
Income taxes (credit)	6,617	(3,397)
Income - cont. oper.	$ 11,513	$ 687
Loss - discont. oper.	—	(14,514)
Net Income (Loss)	$ 11,513	$ (13,827)

* Included in Costs and Expenses, Depreciation and Amortization: $15,900,000 in 1985 and $8,946,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & market. secur.	$ 87,362	$ 22,192
Accts. receiv., net	65,348	107,181
Refundable taxes	164	14,259
Deferred taxes	9,736	9,840
*Inventories	63,149	89,881
Prepaid expenses	5,152	4,127
Current Assets	$ 230,911	$ 247,480
Net assets-discont. oper.	—	2,721
#Fixed assets	29,126	24,218
Invest. in affil.	14,830	—
Deferred inc. taxes	873	812
Deposits & other assets	1,686	2,323
Total Assets	$ 277,426	$ 277,554

Liabilities
(000's)

Accts. payable	$ 22,238	$ 26,743
Accruals- discont. oper.	—	2,911
Accrued payroll	10,098	7,079
Accrued warranty exp.	3,305	1,383
Other acruals	7,855	6,027
Income taxes	6,257	—
Curr. Liabilities	$ 49,753	$ 44,143
Revolv. term loan	—	20,000
Other liabilities	58	263
+ Common stock	202,734	200,448
+ Junior common stock	—	205
Notes receiv. from shareholders	(400)	(1,273)
Retained earnings	25,281	13,768
Total Liabilities & Shareholders' Equity	$ 277,426	$ 277,554

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.59	—
%Net Income to Sales	2.91	—
%Net Income to Equity	5.06	—
Debt to Equity	—	0.09
Working Capital	$181,158,000	$203,337,000
Current Ratio	4.64	5.61
Shareholders' Equity	$227,615,000	$213,148,000

Cooper Industries, Inc.

P.O. Box 4446
Houston, Texas 77210
(713) 739-5400

Officers: Robert Cizik, chairman & president; Alan E. Riedel, sr. v.p.-administration; Dewain K. Cross, sr. v.p.-finance; C. Baker Cunningham, exec. v.p.-operations; H. John Riley, Jr., exec. v.p.-operations; Michael J. Sebastian, exec. v.p.-operations; Edgar A. Bircher, v.p. & general counsel; Thomas W. Campbell, v.p.-public affairs; Joseph R. Coppola, sr. v.p.-manufacturing services; D. Bradley McWilliams, v.p.-taxes; Carl J. Plesnicher, Jr., v.p.-employee relations; Roger A. Scott, v.p., secretary & corporate counsel; Lawrence H. Polsky, v.p.-personnel; Alan J. Hill, v.p. & treasurer; William A. Agnew, controller.

Directors: Robert Cizik, chairman; Robert W. Baldwin, C. Roland Christensen, John P. Diesel, Clifford J. Grum, John G. McElwee, John D. Ong, Alan E. Riedel, John M. Stafford, Edward J. Williams.

Areas of Work: The Company is engaged in three primary areas of business: Compression & Drilling Products; Commercial & Industrial Products; and Electrical & Electronic Products. Electrical & Electronics Products operations include manufacture of equipment for primary and secondary distribution of electricity to industrial and commercial users, as well as wire and cable for electronic, transportation and consumer markets. Commercial & Industrial Products operations include manufacture of equipment, hardware, and hand and power tools for the construction, automotive, commercial cleaning, and consumer markets. Compression & Drilling Products operations include support services to oil and natural gas drilling and compression markets, and to the mining and construction industries.

Divisions and Subsidiaries:

ELECTRICAL & ELECTRONIC PRODUCTS

Crouse-Hinds Electrical Construction Materials
Syracuse, New York

Crouse-Hinds Distribution Equipment
Earlysville, Virginia

Cooper Industries, Inc.

Crouse-Hinds Lighting Products
Vicksburg, Mississippi

Belden Electronic Wire and Cable
Richmond, Indiana

Belden Electrical Wire Products
Geneva, Illinois

Arrow Hart
Hartford, Connecticut

Halo Lighting
Elk Grove Village, Illinois

McGraw-Edison Battery Products
Belleville, New Jersey

McGraw-Edison Power Systems
Coraopolis, Pennsylvania

McGraw-Edison Service
Columbus, Ohio

COMMERCIAL & INDUSTRIAL PRODUCTS

Apex
Dayton, Ohio

Campbell Chain
York, Pennsylvania

Cooper Air Tools
Lexington, South Carolina

The Cooper Group
Raleigh, North Carolina

Kirsch
Sturgis, Michigan

Wagner
Parsippany, New Jersey

COMPRESSION & DRILLING PRODUCTS

Ajax
Corry, Pennsylvania

Cooper-Bessemer Reciprocating
Grove City, Pennsylvania

Cooper-Bessemer Rotating
Mt. Vernon, Ohio

Demco
Oklahoma City, Oklahoma

Funk
Coffeyville, Kansas

Industrial Machinery Division
Quincy, Illinois

Gardner-Denver Mining & Construction
Roanoke, Virginia

Martin-Decker
Cedar Park, Texas

Superior
Springfield, Ohio

Acquisition(s):

McGraw-Edison Company
Rolling Meadows, Illinois

Manufacture of fuses, lighting fixtures, power transformers, capacitors and switchgear in the distribution and control of electrical energy; manufacture of automotive parts, tool and hardware products and surface cleaning equipment.

Transfer Agent(s):

First City National Bank of Houston
Houston, Texas

Stock Exchange(s): New York, Pacific

Ticker Symbol: CBE

Number of Employees:

1985	46,000	1982	36,990
1984	30,000	1981	39,000
1983	29,838		

Sales and Earnings

	Revenues + (000's)	Net Income (000's)
1985	$ 3,067,169	$ 135,080
1984	2,029,915	106,864
1983	1,850,280	71,169
1982	2,393,989	135,135
1981	2,866,031	284,545

	No. of Com. Shares †	Earn. per Share †
1985	42,695,000	$ 2.79
1984	42,724,000	2.13
1983	42,909,000	1.29
1982	43,107,000	2.76
1981	44,587,000	6.02

+ Of continuing operations only

† Based on the weighted average number of common shares outstanding

Revenues By Line of Business
(000's)

	1985	1984
Compression & drilling equip	$ 691,884	$ 642,926
Tools & hardware	927,283	586,453
Electrical & electronic prods	1,425,463	798,310
Other	22,539	2,226
Total	$ 3,067,169	$ 2,029,915

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.52	—	—
1984	1.52	—	—
1983	1.52	—	—
1982	1.52	—	—
1981	1.24	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$1,221,568,000	$ 27.11
1964	1,057,893,000	25.12
1983	1,068,318,000	24.87
1982	1,083,300,000	25.35
1981	1,102,637,000	25.10

‡ After allowing for preferred stock at liquidation values

Income Account
(000's)

Year ended Dec. 31	1985	1984
Revenues	$ 3,067,169	$ 2,029,915
Cost of sales	2,070,992	1,357,949
Expenses	534,471	368,376
Depreciation & amortization	105,815	73,636
Interest expense	97,723	20,572
Income before taxes	$ 258,168	$ 209,382
Income taxes	123,088	102,518
Net Income	$ 135,080	$ 106,864

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 7,151	$ 9,175
Receiv., net	568,925	337,907
*Inventories	944,231	582,303
Other assets	227,078	69,707
Current Assets	$ 1,747,385	$ 999,092
#Fixed assets	973,235	685,548
Intangibles	863,464	231,803
Investments	51,789	37,255
Total Assets	$ 3,635,873	$ 1,953,698

Liabilities
(000's)

Short-term debt	$ 113,441	$ 9,994
Long-term debt, curr	11,957	10,723
Accts. payable & accruals	745,546	354,135
Income taxes	50,114	50,345
Curr. Liabilities	$ 921,058	$ 425,197
Long-term debt	1,158,310	156,765
Deferred inc. taxes	238,504	131,593
+ Preferred stock series B	634	689
+ + Preferred stock $2.90 series	2,887	5,484
+ + + Common stock	225,513	220,523
Add. paid-in capital	200,838	255,236
Retained earnings	926,561	871,695
Translation component	(37,408)	(44,247)
Treasury stock	(1,024)	(69,237)
Total Liabilities & Shareholders' Equity	$ 3,635,873	$ 1,953,698

* At lower of cost (primarily LIFO) or net realizable value

Less accumulated depreciation

+ No par value; $2.50 cum. convert

+ + No par value; $2.90 cum. convert

+ + + $5 par value

Statistical Summary

%Income bef. Taxes to Sales	8.42	10.31
%Net Income to Sales	4.40	5.26
%Net Income to Equity	10.25	8.62
Sales to Inventories	3.25	3.49
Debt to Equity	0.97	0.14
Working Capital	$ 826,327,000	$ 573,895,000
Current Ratio	1.90	2.35
Shareholders' Equity	$1,318,001,000	$1,240,143,000

Corcom, Inc.

1600 Winchester Road
Libertyville, Illinois 60048
(312) 680-7400

Officers: Werner E. Neuman, president; Joseph C. Emma, II, v.p.-sales; Michael B. Head, exec. v.p. & chief operating officer; Eugene F. Migely, Jr., v.p.-marketing; Charles R. Whitchurch, v.p.-finance & treasurer; Walter Roth, secretary

Directors: Werner E. Neuman, David B. Pivan, Herbert L. Roth, Walter Roth, Gene F. Straube, Renato Tagiuri

Areas of Work: Manufactures and markets power line interference filters which control radio frequency interference emitted by electronic equipment. The filters prevent malfunctions in electronic devices and suppress noise pollution.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CORC (NASDAQ)

Number of Employees:

1985	554	1983	1,300
1984	1,285	1982	889

Plant Footage:

1985	N.A.	1983	182,000
1984	233,000 sq. ft.	1982	153,000

N.A.-Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 19,547,000	$ (3,956,000)
1984	32,350,000	2,895,000
1983	26,120,000	1,808,000
1982	20,986,000	1,304,000
1981	19,385,000	1,542,000

	No. of Com. Shares +	Earn. per Share ‡
1985	3,469,964	$ —
1984	3,468,964	0.83
1983	3,453,004	0.61
1982	2,739,304	0.47
1981	2,772,904	0.56

(Loss)
+ Adjusted to reflect stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983		—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share‡
1985	$ 21,974,000	$ 6.33
1984	25,933,000	7.48
1983	22,983,000	7.69
1982	12,224,000	4.42
1981	10,904,000	3.99

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net Sales	$ 19,547,000	$ 32,350,000
Cost of sales	15,122,000	19,944,000
Engineering expenses	1,318,000	1,515,000
Sell., adm. & other expenses	7,734,000	7,807,000
Interest expense (income)	91,000	(596,000)
Prov. for closing plant	870,000	—
Income (loss) bef. taxes	$ (5,588,000)	$ 3,680,000
Income taxes (credit)	(1,632,000)	785,000
Net Income (Loss)	$ (3,956,000)	$ 2,895,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,384,000 in 1985 and $1,129,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,035,000	$ 684,000
Marketable securities	4,298,000	5,308,000
Accts. receiv., net	2,454,000	4,916,000
*Inventories	9,279,000	11,679,000
Federal income taxes	844,000	—
Def. inc. tax benefits	—	507,000
Other cur. assets	626,000	673,000
Current Assets	$ 18,536,000	$ 23,767,000
#Fixed assets	8,857,000	8,976,000
Total Assets	$ 27,393,000	$ 32,743,000

Liabilities

	1985	1984
Notes payable	$ 2,154,000	$ 280,000
Long-term debt, curr.	13,000	12,000
Accts. payable	632,000	1,620,000
Income taxes	15,000	59,000
Other accruals	1,398,000	1,335,000
Curr. Liabilities	$ 4,212,000	$ 3,306,000
Long-term debt	1,207,000	1,222,000
Deferred inc. taxes	—	2,282,000
+ Common stock	13,384,000	13,376,000
Retained earnings	8,601,000	12,557,000
Treasury stock	(11,000)	—
Total Liabilities & Shareholders' Equity	$ 27,393,000	$ 32,743,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1985	1984
% Income before Taxes to Sales	—	11.38
% Net Income to Sales	—	8.95
% Net Income to Equity	—	11.16
Sales to Inventories	2.11	2.77
Debt to Equity	0.15	0.06
Working Capital	$14,324,000	$20,461,000
Current Ratio	4.40	7.19
Shareholders' Equity	$21,974,000	$25,933,000

Core Industries Inc.

500 North Woodward
Bloomfield Hills, Michigan 48013
(313) 642-3400

Officers: Harold M. Marko, president; Richard T. Walsh, v.p.-finance; Wendel Calderwood, v.p.; Lawrence J. Murphy, secretary & treasurer; Thomas G. Hooper, controller; staff managers: Dennis R. Mason, audit, Harold Schmidt, manufacturing, William A. Handelman, systems development.

Directors: Harold M. Marko, Richard T. Walsh, Charles W. Elliott, Alan E. Schwartz, Robert G. Stone, Jr., Kenneth J. Whalen.

Areas of Work: A diversified company, manufacturing products within four major groups: electronics, farm equipment, fluid controls and constructions products, and vehicle products.

Divisions and Subsidiaries:

Electronics Group

Amprobe Instrument
Lynbrook, New York
Liquid crystal thermometer, which allows the temperature of equipment to be measured from three separate locations by pressing one button.

Anilam Electronics Corporation
Miami, Florida; United Kingdom, France & Italy
Off-line programming systems for machinists, including eight color graphics high-resolution CRT, machinist-oriented keyboard and a quality printer.

Hilton Industries, Inc.
Sarasota, Florida
Custom winding machines for electronic, military and film capacitor applications.

GSE, Inc.
Farmington Hills, Michigan
Manufacturer of electronic measuring devices and electronic weighing scales.

Great Lakes-Eglinton
Bridgeport, Michigan
Special carbide wheel parts.

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): New York

Ticker Symbol: CRI

Sales and Earnings

	Net Sales †	Net Income
1985	$ 166,020,000	$ 10,805,000
1984	148,335,000	10,744,000
1983	130,016,000	7,371,000
1982	155,672,000	10,077,000
1981	160,953,000	13,710,000

	No. of Com. Shares	Earn. per Share ‡
1985	9,746,000	$ 1.11
1984	9,968,000	1.08
1983	9,967,000	0.74
1982	9,963,000	1.01
1981	9,953,000	1.38

† Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Electronics	38%	40%
Farm equipment	9	12
Fluid controls & construc. prods.	31	31
Vehicle prods.	22	17
Total	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.550	—	—
1984	0.510	—	—
1983	0.470	—	—
1982	0.425	—	—
1981	0.365	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 93,235,000	$ 9.57
1984	90,716,000	9.10
1983	85,052,000	8.53
1982	82,342,000	8.26
1981	76,448,000	7.68

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 166,020,150	$ 148,335,056
Cost of sales	112,603,383	95,405,027
Expenses	32,372,895	31,942,775
Depreciation & amortization	3,679,955	3,529,763
Interest expense	574,137	522,443
Other income	(2,215,608)	(1,198,668)
Income before taxes	$ 19,005,388	$ 18,143,716
Income taxes	8,200,000	7,400,000
Net Income	$ 10,805,388	$ 10,743,716

Assets

As of Aug. 31	1985	1984
Cash	$ 4,332,161	$ 9,742,845
Marketable securities	278,125	1,276,250
Accts. receiv., net	35,745,180	31,417,776
*Inventories	40,801,672	40,150,622
Prepaid expenses	478,166	553,021
Deferred inc. taxes	886,000	996,000
Current Assets	$ 82,521,304	$ 84,136,514
#Fixed assets	22,170,295	21,853,565
Other assets	13,503,331	13,842,216
Total Assets	$ 118,194,930	$ 119,832,295

Liabilities

	1985	1984
Long term debt, curr.	$ 595,000	$ 610,000
Accts. payable	7,328,629	7,921,940
Accrued payroll	7,063,067	8,597,438

Dividends payable	1,364,374	1,295,830
Income taxes	1,938,442	3,823,425
Curr. Liabilities	$ 18,289,512	$ 22,248,633
Long-term debt	4,650,890	5,307,995
Deferred inc. taxes	2,020,000	1,560,000
+ Common stock	11,103,044	11,092,545
Add. paid-in capital	118,658	76,468
Retained earnings	88,095,988	82,649,404
Treasury stock	(6,083,162)	(3,102,750)
Total Liabilities & Shareholders' Equity	$ 118,194,930	$ 119,832,295

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.45	12.23
%Net Income to Sales	6.51	7.24
%Net Income to Equity	11.59	11.84
Sales to Inventories	4.07	3.69
Debt to Equity	0.06	0.07
Working Capital	$64,231,792	$61,887,881
Current Ratio	4.51	3.78
Shareholders' Equity	$93,234,528	$90,715,667

Corning Glass Works

Houghton Park
Corning, New York 14831
(607) 962-9000

Officers: James R. Houghton, chairman; Thomas C. MacAvoy, Van C. Campbell, vice-chairmen; Richard Dulude, president-Electronics and Telecommunications group; E. Martin Gibson, president-Health and Science Group; Amory Houghton, Jr., chairman of executive committee; Roger G. Ackerman, president-Specialty Glass and Ceramics Group; James L. Flynn, sr. v.p. & treasurer; William C. Ughetta, sr. v.p., secretary & general counsel; Kenneth W. Freeman, v.p. & controller.

Directors: James R. Houghton, chairman; Amory Houghton, Jr., Van C. Campbell, Thomas C. MacAvoy, Mary L. Bundy, Francis H. Burr, John B. Coburn, Robert L. Genillard, Carla A. Hills, James W. Kinnear, Edward L. Palmer, Donald S. Perkins, Henry Rosovsky, Robert G. Stone, Jr., Robert S. McNamara, Thomas J. Perkins, Richard Dulude, E. Martin Gibson, Roger G. Ackerman, Vernon E. Jordon, Jr., James J. O'Connor.

Areas of Work: Operates in four broad industry segments. Consumer products-manufactures tablewares and housewares including glass and glass-ceramic cookware for cooking, serving, and storing food, indoor plant containers, and "Steuben" lead crystal. Electronics and Telecommunications-manufactures optical fibers for use in voice, video, or data transmission, optical cable (which encloses the fiber), glass for TV picture tubes and monitors, and electronic devices such as capacitors and resistors. Specialty Materials-manufactures ceramic substrates for automatic emission-control systems, sealed-beam components and tungsten-halogen tubing for headlights, tooth-replacement ceramic, silicone products, and foam-glass insulation. Health and Science-manufactures medical diagnostic products, optical ware, ophthalmic lenses, laboratory ware, and glass piping. Also engaged in biotechnology research.

Subsidiaries:

Components, Incorporated
Biddeford, Maine

MetPath Inc.
Teterboro, New Jersey

Corning International Corporation
Corning, New York

Corning Canada Inc.
Toronto, Ontario, Canada

Corning GmbH
Wiesbaden, West Germany

Corning Limited
Sunderland, England

Corning Europe Inc.
Paris, France

Corning Japan Inc.
Tokyo, Japan

Corning K.K.
Tokyo, Japan

Corning S.p.A.
Milan, Italy

Corning Trading (Singapore) Pte. Ltd.
Singapore

IMA Gilford Analysentechnik GmbH
Giessen, West Germany

Malkin Ltd.
Stoke-on-Kent, England

Rigolleau, S.A.
Buenos Aires, Argentina

Productos Corning de Mexico, S.A. de C.V.
Monterrey, Mexico

Sovcor, S.A.
Paris (Le Vesinet), France

Corning France, S.A.
Avon, France

Corning Enterprises, Inc.
Corning, New York

Teddington Company Limited
Hamilton, Bermuda

Corning Brasil-Vidros Especiais Ltda
Sao Paulo, Brazil

E.I.V.S., S.A.
Paris (Villeneuva-la-Garenne), France

Corning Canada Inc.
Toronto, Ontario, Canada

Corning Latin America/Asia-Pacific, Inc.
Corning, New York

Crown Corning U.S.A. Inc.
Los Angeles, California

Dow Corning Corporation (50% owned)
Midland, Michigan

Pittsburgh Corning Corporation (50% owned)
Pittsburgh, Pennsylvania

Ciba Corning Diagnostics Corp. (50% owned)
Medfield, Massachusetts

PlessCor Optronics Inc. (40% owned)
Los Angeles, California

Borosil Glass Works Limited (39.5% owned)
Bombay, India

Crown Corning Limited (50% owned)
Sydney, N.S.W. Australia

Iwaki Glass Company, Ltd. (49.8% owned)
Tokyo, Japan

Fibres Optiques Industries, S.A. (40% owned)
Paris, France

Genencor Inc. (33% owned)
San Francisco, California

Nutrisearch Internation Corp. (33% owned)
Cincinnati, Ohio

Optical Fibres (50% owned)
Clywd, Wales

Pittsburgh Corning Europe, N.V. (50% owned)
Brussels, Belgium

Samsung-Corning Company Ltd. (50% owned)
Seoul, Korea

Siecor GmbH (50% owned)
Munich, West Germany

Optical Waveguides Australia Pty Ltd. (50% owned)
Melbourne, Australia

Shanghai Corning Engineering Corporation Ltd. (50% owned)
Shanghai, People's Republic of China

Siecor GmbH S Co. KG (50% owned)
Neustadt, West Germany

N-Cor Ltd. (50% owned)
Nagoya, Japan

Vitrocrisa Kristal, S.A. (40.7% owned)
Monterrey, Mexico

Siecor Corporation (50% owned)
Hickory, North Carolina

Corvire, SARL (50% owned)
Paris, France

Sicover, S.A. (45% owned)
Aniche, France

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Corporate Agency Department
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): * New York, Zurich, Boston, Midwest, Pacific, Philadelphia

* Listed and/or traded.

Ticker Symbol: GLW

Number of Employees:

1985	24,600	1982	29,000
1984	26,900	1981	32,700
1983	27,600		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,690,500	$ 133,300
1984	1,732,700	100,300
1983	1,589,400	92,200
1982	1,578,700	74,500
1981	1,714,100	103,700

	No. of Com. Shares +	Earn. per Share +
1985	42,649,000	$ 3.13
1984	42,240,000	2.38
1983	42,126,000	2.19
1982	42,332,000	1.76
1981	42,166,000	2.46

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Specialty materials	$ 324,300	$ 343,000
Electronics & telecommunications	487,700	441,400
Health & science	471,100	520,600
Consumer products	407,400	427,700
Total	$ 1,690,500	$ 1,732,700

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.31	—	—
1984	1.19	—	2-for-1
1983	1.16	—	—
1982	1.16	—	—
1981	1.16	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1985	$ 1,185,600	$ 27.80
1984	1,067,100	25.26
1983	1,032,700	24.51
1982	1,016,400	24.01
1981	1,027,900	24.38

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 1,690,500	$ 1,732,700
Cost of sales	1,110,200	1,173,200
Expenses	443,400	470,100
Oper. profit	$ 136,900	$ 89,400
Other expense	2,500	19,300
Interest expense	37,800	38,200
Interest income	(26,200)	(21,600)
Gain on stock issue	(5,400)	—
Prov. for restruc. costs	87,400	—
Income before taxes	$ 40,800	$ 53,500
Income taxes	5,000	18,200
Equity in earnings of assoc. companies	(71,800)	(53,600)
Net Income	$ 107,600	$ 88,900

* Included in Costs and Expenses, Depreciation and Amortization: $126,700,000 in 1985 and $111,000,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 5,900	$ 38,700
Short-term invest.	55,800	70,900
Accts. receiv., net	275,000	244,400
*Inventories	201,000	251,500
Prepaid exp. & def. inc. taxes	122,100	98,500
Current Assets	$ 709,900	$ 704,000
Investments	536,500	426,600
#Fixed assets	708,600	641,800
Goodwill	15,400	17,800
Other assets	62,000	66,600
Total Assets	$ 2,032,400	$ 1,856,800

Liabilities
(000's)

	12/29/85	12/30/84
Loans payable	$ 37,800	$ 31,700
Accts. payable	106,100	98,600
Accrued liabilities & accruals	64,600	71,500
Wages & employee benefits	104,200	101,800
Income taxes	67,200	56,500
Costs of business restruct.	20,400	17,000
Curr. Liabilities	$ 400,300	$ 377,100
Bus. restruc. costs	45,200	2,500
Other liabilities	36,200	58,700
Loans payable	327,500	309,100
Deferred invest. credits & deferred inc. taxes	37,600	42,300
+ Common stock	183,800	167,500
Retained earnings	1,043,100	969,700
Trans. adjustments	(41,300)	(70,100)
Total Liabilities & Shareholders' Equity	$ 2,032,400	$ 1,856,800

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.41	3.09
%Net Income to Sales	6.36	5.13
%Net Income to Equity	9.08	8.33
Sales to Inventories	8.41	6.89
Working Capital	$ 309,600,000	$ 326,900,000
Current Ratio	1.77	1.87
Shareholders' Equity	$1,185,600,000	$1,067,100,000

CPT Corporation

8100 Mitchell Road
P.O. Box 295
Minneapolis, Minnesota 55440
(612) 937-8000

Officers: Dean F. Scheff, chairman of the board and president; James H. Kaufenberg, v.p. & chief financial officer; Lawrence O. Bunka, sr v.p.; Clayton R. Benish, Gary H. Campbell, Winston W. Eaton, Jr., Roy G. Herman, Fielding G. Lucas, Theodóre Manakas, Clarence Lehman, Paul A. Moquist, James L. Weinhold, vice presidents; Ramon J. Vales, Jr., controller; David Priebe v.p., secretary & general counsel.

Directors: Dean F. Scheff, chairman; John Gerlach, Thomas G. Herschbach, John R. MacLennan, Mark P. Friedlander, Jr., John J. Verstraete, Willard C. Shull III, Andrew H. Van de Ven.

Areas of Work: The corporation designs, manufactures and distributes office automation equipment including consoles, mass storage systems and printers as well as related software.

Transfer Agent(s):

First Trust Company of St. Paul
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPTC (NASDAQ)

Number of Employees:

1985	1,463	1982	1,368
1984	1,744	1981	994
1983	1,581		

Sales and Earnings

	Net Sales	Net Income
1985	$ 149,301,000	$ (2,993,000)
1984	200,324,000	17,411,000
1983	178,455,000	17,721,000
1982	145,027,000	15,863,000
1981	101,344,000	12,516,000

	No. of Com. Shares	Earn. per Share #
1985	16,088,197	$ —
1984	16,707,553	1.05
1983	16,551,587	1.07
1982	16,282,068	0.97
1981	14,569,930	0.83

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 120,691,000	$ 7.50
1984	129,730,000	7.76
1983	111,631,000	6.75
1982	89,421,000	5.49
1981	52,932,000	3.63

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 129,527	$ 180,652
Rentals & maint.	19,774	19,672
Total revenues	$ 149,301	$ 200,324
Cost of sales	83,353	98,378
Cost of rentals & maint.	8,462	9,761
Expenses	63,182	66,845
Interest expense	4,375	4,781
Interest income	(3,456)	(4,737)
Other expense	378	1,894
Income (loss) bef. taxes	$ (6,993)	$ 23,402
Income taxes (credit)	(4,000)	5,991
Net Income (Loss)	$ (2,993)	$ 17,411

* Included in Costs and Expenses, Depreciation and Amortization: $13,514,000 in 1985 and $13,037,000 in 1984.

Assets
(000's)

As at June 30	1985	1984
Cash	$ 783	$ 5,331
Marketable securities	27,096	25,267
Accts. receiv., net	51,101	74,955
Other receiv.	5,189	3,423
Inc. taxes recev.	8,068	—
*Inventories	41,640	47,484
Other curr. assets	2,875	1,181
Current Assets	$ 136,752	$ 157,641
#Fixed assets	48,331	52,442
Other assets	3,443	4,985
Total Assets	$ 188,526	$ 215,068

Liabilities
(000's)

	1985	1984
Notes payable	$ —	$ 248
Long-term debt, curr.	799	1,453
Accts. payable	5,385	16,062
Salaries & comm. payable	2,744	3,802
Income taxes	490	4,972
Accrued liab.	5,739	7,029
Deferred revenue	5,696	4,605
Curr. Liabilities	$ 20,853	$ 38,171
Long-term debt	2,957	3,963
Convert. subord. deben.	37,288	38,895
Deferred inc. taxes	6,737	4,309
+ Common stock	804	836
Add. paid-in capital	45,282	50,715
Retained earnings	75,577	78,570
Foreign curr. trans.	(972)	(391)
Total Liabilities & Shareholders' Equity	$ 188,526	$ 215,068

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	11.68
%Net Income to Revenues	—	8.69
%Net Income to Equity	—	13.42
Debt to Equity	0.03	0.04
Working Capital	115,899,000	$119,470,000
Current Ratio	6.56	4.13
Shareholders' Equity	120,691,000	$129,730,000

Craig Corporation

921 West Artesia Boulevard
Compton, California 90220
(213) 537-1233

Officers: Paul O. Koether, chairman of the board; Peter M. Behrendt, president; Edward Y. Motokane, exec. vice president; P. Algis Raulinaitis, sr. v.p.-finance & secretary; Kent W. Davidson, v.p.-marketing; Marshal R. Brown, v.p.-quality & customer service; Robert L. Woolheater, v.p., controller and treasurer.

Directors: Paul O. Koether, chairman; Peter M. Behrendt, Edward Motokane, James J. Cotter, William D. Gould, Edward L. Kane, Ralph B. Perry, III.

Areas of Work: The Electronics Division is engaged in the design, importation, manufacture and sale of consumer products mainly consisting of stereo audio systems for the automobile, small audio entertainment centers for recreational vehicles, and dictation equipment.

Subsidiaries:

Craig Intra-con Electronics Corp.
Hastings and Richardson Communications, Inc.
Magnasync/Moviola DISC

Dimension Specialty Co., Inc.
921 West Artesia Boulevard
Compton, California 90220
(213) 537-1233
Imports custom photographic accessories for major retailers.

Transfer Agent(s):

Bank of America NT & SA
111 West 7th Street
Los Angeles, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: CRA

Number of Employees:

1985	50	1982	561
1984	427	1981	695
1983	409		

Plant Footage:

1985	84,420 sq. ft.	1982	330,000
1984	289,000	1981	330,000
1983	289,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1985	$ 22,660,000	$ 1,108,000
1984	35,129,000	(5,958,000)
1983	43,808,000	(6,895,000)
1982	67,377,000	1,393,000
1981	94,233,000	(1,942,000)

	No. of Com. Shares	Earn. per Share #‡
1985	1,766,264	$ 0.63
1984	1,772,173	—
1983	1,782,090	—
1982	3,015,091	0.46
1981	3,024,755	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $512,000 ($0.29 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Consumer electronics	$ 10,982,000	$ 18,455,000
Photographic equip.	11,678,000	16,674,000
Total	$ 22,660,000	$ 35,129,000

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 13,892,000	$ 7.87
1984	12,828,000	7.24
1983	18,861,000	10.58
1982	38,356,000	12.72
1981	37,023,000	12.24

Income Account *

Year ended June 30	1985	1984
Net sales	$ 22,660,000	$ 35,129,000
Cost of sales	17,717,000	28,378,000
Expenses	4,847,000	7,781,000
Interest exp. (income)	(851,000)	257,000
Inc. (loss) bef. taxes	$ 947,000	$ (1,287,000)
Income taxes	473,000	—
Inc. (loss) - cont. oper.	$ 474,000	$ (1,287,000)
Inc. (loss) - discont. oper.	122,000	(4,671,000)
Net Income (Loss)	$ 596,000	$ (5,958,000)
Extraord. gain	512,000	—
Net Income (Loss) & extrarod. gain	$ 1,108,000	$ (5,958,000)

* Included in Costs and Expenses, Depreciation and Amortization: $116,000 in 1985 and $69,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 7,800,000	$ 347,000
Receiv., net	3,248,000	6,102,000
*Inventories	2,324,000	7,081,000
Prepaid expenses	104,000	218,000
Assets of discont. oper.	—	2,238,000
Current Assets	$ 13,476,000	$ 15,986,000
#Fixed assets	944,000	3,936,000
Assets of discont. oper.	—	1,262,000
Long-term notes receiv.	1,825,000	436,000
Other assets	389,000	437,000
Total Assets	$ 16,634,000	$ 21,967,000

Liabilities

Bank notes payable	$ —	$ 3,875,000
Accts. payable	263,000	1,512,000
Other liabilities	1,191,000	2,167,000
Trade acceptances & advances	81,000	662,000
Inc. taxes payable	607,000	446,000
Curr. Liabilities	$ 2,142,000	$ 8,662,000
Other liabilities	600,000	477,000
+ Common stock	788,000	788,000
Add. paid-in capital	4,194,000	4,214,000
Retained earnings	23,019,000	21,911,000
Treasury stock	(14,109,000)	(14,085,000)
Total Liabilities & Shareholders' Equity	$ 16,634,000	$ 21,967,000

* Inventories at average cost.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	4.29	—
Sales to Inventories	9.75	4.96
Debt to Equity	—	0.30
Working Capital	$11,334,000	$ 7,324,000
Current Ratio	6.29	1.85
Shareholders' Equity	$13,892,000	$12,828,000

Cray Research, Inc.

608 Second Avenue S.
Minneapolis, Minnesota 55402
(612) 333-5889

Officers: John A. Rollwagen, chairman of the board & chief exec. officer; Lester T. Davis, exec. v.p.; John Carlson, exec. v.p. & chief financial officer; Marcelo A. Gumucio, exec. v.p.; Andrew Scott, vice chairman & counsel; Michael Dickey, v.p.-international marketing; Robert A. Gaertner, v.p.-human resources & communications; Bruce Kasson, v.p.-government marketing; Michael J. Lindseth, v.p.-finance & treasurer; Steve S. Chen, sr. v.p.; Margaret Loftus, v.p.-software development; M. Dean Roush, v.p.-engineering; Don Whiting, v.p.-manufacturing; Richard Morris, v.p.-technical operations; Paul W. Dillingham, Jr., v.p.-special systems; Robert H. Ewald, v.p.-commercial marketing; Gregory T. Barnum, corporate controller; David E. Frasch, secretary.

Directors: Seymour R. Cray*, Francis X. Driscoll, Thomas A. Longo, John A. Rollwagen*, Andrew Scott*, Robert L. Swiggett, Robert F. Zicarelli.

* Member of the Executive Committee.

Areas of Work: Engaged in the design, development and manufacture of large-scale, high-speed computing systems intended for scientific applications, and the marketing and maintenance of such systems.

Subsidiaries:

Cray Research GmbH
Munich, West Germany

Cray Research Japan, Limited
Tokyo, Japan

Cray Canada, Inc.
Toronto, Canada

Cray Research B.V.
The Hague, The Netherlands

Cray Research (U.K.) Ltd.
Bracknell, England

Cray Research France, S.A.
Paris, France

Cray Research A.B.
Linkoping, Sweden

Cray Research S.r.l.
Milan, Italy

Cray Research (Australia) Pty. Ltd.
Melbourne, Australia

Cray Research (Suisse) S.A.
Lausanne, Switzerland

Transfer Agent(s):

First Trust Company of St. Paul
First National Bank Building
St. Paul, Minnesota 55102

Manufacturers Hanover Trust Company
40 Wall Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CYR

Number of Employees:

1985	3,180	1982	1,352
1984	2,203	1981	1,079
1983	1,551		

Plant Footage:

1985	767,000 sq. ft.	1982	200,000
1984	461,800	1981	195,500
1983	327,000		

Sales and Earnings

	Revenue	Net Income
1985	$ 380,158,000	$ 75,610,000
1984	228,752,000	45,352,000
1983	169,690,000	26,071,000
1982	141,149,000	19,000,000
1981	101,642,000	18,170,000

	No. of Com. Shares †	Earn. per Share #
1985	29,807,000	$ 2.49
1984	29,348,000	1.53
1983	29,178,000	0.88
1982	29,059,000	0.69
1981	27,322,000	0.66

† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 304,944,000	$ 10.23
1984	220,452,000	7.51
1983	172,385,000	5.91
1982	144,561,000	4.98
1981	94,951,000	3.48

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 277,440	$ 160,389
Leased systems	55,093	37,795
Service fees	47,625	30,568
Revenues	$ 380,158	$ 228,752
Cost of sales	74,144	43,551
Cost of leased systems	23,436	17,000
Cost of services	35,704	21,443
Expenses	114,515	82,657
Interest expense	6,838	6,203
Interest income	(10,370)	(9,852)
Other expense	48	859
Income before taxes	$ 135,843	$ 66,891
Income taxes	60,233	21,539
Net Income	$ 75,610	$ 45,352

* Included in Costs and Expenses, Depreciation and Amortization: $40,973,000 in 1985 and $32,427,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. invest.	$ 49,532	$ 53,879
Market. secur.	25,705	30,028
Accts. receiv., net	26,698	22,710
*Inventories	140,266	82,730
Prepaid expenses	6,749	3,213
Current Assets	$ 248,950	$ 192,560
Long-term receivables	5,789	8,156
#Leased systems & spares	54,280	49,263
#Fixed assets	92,589	56,286
Defer. charges & other assets	41,520	23,831
Total Assets	$ 443,128	$ 330,096

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 12,030	$ 33,622
Accts. payable	16,554	11,461
Accrued expenses	36,329	19,566
Income taxes	7,645	4,356
Cust. adv. pay.	38,460	6,677
Curr. Liabilities	$ 111,018	$ 75,682
Long-term debt	11,839	15,626
Deferred inc. taxes	15,327	18,336
+ Common stock	29,807	29,348
Add. paid-in capital	70,648	62,423
Retained earnings	204,470	128,860
Foreign curr. trans. adj.	19	(179)
Total Liabilities & Shareholders' Equity	$ 443,128	$ 330,096

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

%Income bef. Taxes to Revenues	35.73	29.24
%Net Income to Revenues	19.89	19.83
%Net Income to Equity	24.79	20.57
Debt to Equity	0.08	0.22
Working Capital	$137,932,000	$116,878,000
Current Ratio	2.24	2.54
Shareholders' Equity	$304,944,000	$220,452,000

Crestek, Inc.

(formerly IMM Energy Services & Technology Inc.)

Scotch Road
Mercer County Airport
Trenton, New Jersey 08628
(609) 883-4000

Officers: J. Michael Goodson, chairman & chief executive officer; Edward J. Gutowski, vice chairman & exec. v.p.-operations; John J. O'Connor, exec. v.p.-finance, secretary & chief financial officer; Kenneth W. Hunt, exec. v.p.-marketing.

Directors: J. Michael Goodson, chairman; Edward J. Gutowski, Leon Linebarger, Kenneth W. Hunt, William E. Owings, John J. O'Connor

Areas of Work: Manufactures and markets ultrasonic and electronic equipment including automated industrial cleaning systems and semiconductor assembly and test equipment.

Subsidiaries:

Coates Marine Inc.
Crest Ultrasonis Corjp.
Crestek International Sales Corp.

Uthe Inc.
Uthe Technology, Inc.

Transfer Agent(s):

Fidelity Union Trust Company
Trust Dept.
765 Broad Street
Newark, New Jersey 07101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CRST (NASDAQ)

Number of Employees:

1985	153	1982	105
1984	116	1981	175
1983	110		

Plant Footage:

1985	50,000 sq. ft.	1982	50,000
1984	50,000 sq. ft.	1981	50,000
1983	50,000		

Sales and Earnings

	Net Sales †	Net Income
1985	$ 12,820,000	$ 520,000
1984	11,207,000	3,136,000
1983	9,253,000	(8,958,000)
1982	8,135,000	(2,519,000)
1981	6,938,000	2,168,000

	No. of Com. Shares	Earn. per Share +
1985	821,350	$ 0.61
1984	4,106,783	3.79
1983	4,096,783	—
1982	4,041,131	—
1981	2,837,793	2.89

(Loss)
† Of continuing operations only.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	1-for-5
1984	—	—	—
1983	—	—	—
1982	—	—	4-for-3
1981	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,021,075	$ 2.46
1984	1,500,332	0.37
1983	(1,640,619)	—
1982	7,191,000	1.78
1981	6,041,000	2.13

(Deficiency)

Income Account *

Year ended June 30	1985	1984
Net sales	$ 12,820,085	$ 11,207,464
Cost of sales	6,720,272	5,901,784
Expenses	4,683,778	3,871,633
Oper. profit	$ 1,416,035	$ 1,434,047
Interest expense	437,046	485,541
Other income	(64,095)	(42,779)
Income bef. taxes	$ 1,043,084	$ 991,285
Income taxes	522,640	512,889
Inc. cont. oper.	$ 522,444	$ 478,396
Inc. discont. oper.	—	2,657,716
Net Income	$ 520,444	$ 3,136,112

* Included in Costs and Expenses, Depreciation and Amortization: $226,529 in 1985 and $190,463 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 579,281	$ 826,640
Notes and accts. receiv., net	2,365,962	2,232,704
*Inventories	2,429,322	1,470,933
Prepaid expenses	49,618	85,209
Current Assets	$ 5,424,183	$ 4,615,486
#Fixed assets	2,429,275	2,162,262
Note & other receiv.	259,276	—
Intangibles	549,600	618,300
Other assets	266,920	80,557
Total Assets	$ 8,929,254	$ 7,476,605

Liabilities

	1985	1984
Note payable	$ 700,000	$ 900,000
Long-term debt, curr.	464,235	396,147
Accts. payable	1,512,300	1,109,495
Accruals	776,709	617,945
Customer deposits	260,232	11,200
Income taxes	121,885	96,845
Curr. Liabilities	$ 3,835,361	$ 3,131,632
Long-term debt	2,671,035	2,692,241
Deferred inc. taxes	279,383	—
+ Redeem. pref. stock	122,400	152,400
+ + Common stock	8,213	41,068
Add. paid-in capital	1,568,715	5,431,685
Retained earnings (deficit)	497,333	(3,904,811)
Exc. of redemp. price over fair value-pref. stock	(53,186)	(67,610)
Total Liabilities & Shareholders' Equity	$ 8,929,254	$ 7,476,605

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $100 par value; $6.50 cumulative
+ + $0.01 par value

Statistical Summary

%Income bef. taxes	8.14	—
to sales	4.06	—
%Net income to equity	25.75	—

Sales to Inventories	5.28	7.62
Debt to Equity	1.90	2.66
Working Capital	$1,588,822	1,483,854
Current Ratio	1.41	1.47
Shareholders' Equity	$2,021,075	$1,500,332

Cross & Trecker Corporation

505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343

Officers: Russell A. Hedden, chairman of the board; Richard T. Lindgren, president & chief executive officer; Ralph E. Cross, chairman emeritus; Johannes A. Buiteweg, v.p.-law & secretary; John J. Hinnendael, v.p.-finance; Larry C. Helber, treasurer; Roger John Lesinski, asst. secretary; Stephan W. Zumsteg, assistant controller.

Directors: Russell A. Hedden*, chairman; Richard T. Lindgren*, Edward C. Mabbs, Thomas F. Russell, Harold A. Strickland, Jr., John F. Daly, Robert F. Stewart, Vincent R. Little, William P. Vititoe.

* Member of the Executive Committee.

Areas of Work: Designs and builds special metal-cutting, assembly, and testing machines and integrated manufacturing systems. Also manufactures computer numerically-controlled machining centers, milling machines and turning machines, computer-controlled multiple-machine flexible manufacturing systems. Designs and builds automated material handling systems for the foundry and power generating industries, grinding machines, flexible fabricating and inspection machines and systems.

Operating Units:

The Cross Company
17801 East Fourteen Mile Road
Fraser, Michigan 48026
(313) 293-3000
Manufactures special machine tools.

Cross & Trecker Credit Corporation
505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343

The Warner and Swasey Company
11000 Cedar Avenue
P.O. Box 94531
Cleveland, Ohio 44101
(216) 432-4009
Machine tools and measurement systems: horizontal turning machines, turret lathes and grinding machines for cylindrical parts; sheet-metal cutting, forming and punching machines and systems; measurement and autometrology systems; linear bearings.

Machine Remarketing Corporation
3611 Woodburn Avenue
P.O. Box 12841
Cincinnati, Ohio 45212
(513) 874-0015
Marketing of used and updated machinery, including appraisals, listing, storage, financing, sales and training.

Kearney & Trecker Corporation
11000 Theodore Trecker Way
Milwaukee, Wisconsin 53214
(414) 476-8300
Produces computer-controlled machine tools and multiple-machine flexible manfacturing systems.

Roberts Corporation
3001 West Main Street
Lansing, Michigan 48901
(517) 371-2460
Manufactures sand and mold handling systems, automatic pouring systems, and various support equipment for the foundry industry. Designs and builds automated material handling systems. Markets robots and automated guided vehicles.

Transfer Agent(s):

First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTCO (NASDAQ)

Number of Employees:

1985	4,500	1982	3,000
1984	4,400	1981	4,600
1983	2,400		

Plant Footage:

1985	3,000,000 sq. ft.	1982	1,671,000
1984	N.A.	1981	1,679,500
1983	1,516,000		

N.A. Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 423,289,000	$ 11,743,000
1984	268,309,000	4,053,000
1983	149,925,000	3,687,000
1982	380,641,000	38,725,000
1981	408,916,000	41,169,000

	No. of Com. Shares #	Earn. per Share #
1985	12,355,000	$ 0.95
1984	12,341,000	0.33
1983	12,332,000	0.30
1982	12,370,000	3.13
1981	12,388,000	3.32

Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.80	—	—
1984	0.80	—	—
1983	0.80	—	—
1982	0.80	—	—
1981	0.677	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 209,911,000	$ 16.98
1984	205,590,000	16.65
1983	207,159,000	16.80
1982	214,567,000	17.40
1981	187,919,000	15.17

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 423,289	$ 268,309
Cost of sales	311,222	203,548
Expenses	100,338	65,256
Other income	(7,528)	(8,271)
Interest expense	2,070	2,185
Income before taxes	$ 17,187	$ 5,591
Income taxes	5,444	1,538
Net Income	$ 11,743	$ 4,053

* Included in Costs and Expenses. Depreciation: $11,741,000 in 1985 and $10,373,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & short-term invest.	$ 14,410	$ 17,928
Trade receiv.	144,671	123,508
Income taxes	8,450	13,960
*Inventories	97,064	103,567
Prepaid expenses	7,339	6,129
Current Assets	$ 271,934	$ 265,092
#Fixed assets	88,102	81,841
Other assets	15,221	18,850
Toal Assets	$ 375,257	$ 365,783

Liabilities

Short-term debt	$ 8,401	$ 7,457
Long-term debt, curr.	511	690
Accts. payable	50,605	40,593
Advance payments	5,299	726
Accruals	49,193	62,771
Income taxes	22,575	22,972
Curr. Liabilities	$ 136,584	$ 135,209
Long-term debt	12,049	12,452
Deferred income	8,854	7,667
Deferred taxes	7,859	4,865
+ Common stock	12,444	12,440
Add. paid-in capital	23,712	23,443
Retained earnings	178,360	176,493
Cumulative translation adjustment	(3,340)	(5,373)
Treasury stock	(1,265)	(1,413)
Total Liabilities & Shareholders' Equity	$ 375,257	$ 365,783

* At lower of cost (23% at FIFO; 77% at LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.06	2.08
% Net Income to Sales	2.77	1.51
% Net Income to Equity	5.59	1.97
Sales to Inventories	4.36	2.59
Debt to Equity	0.10	0.10
Working Capital	$135,350,000	$129,883,000
Current Ratio	1.99	1.96
Shareholders' Equity	$209,911,000	$205,590,000

CTS Corporation

905 N. West Boulevard
Elkhart, Indiana 46514
(219) 293-7511

Officers: Joseph DiGirolamo, chairman of the board & chief operating officer; Robert D. Hostetler, president & chief executive officer; Gary B. Erekson, v.p. & chief financial officer; John P. Colglazier, v.p.; Kenneth E. Selzer, v.p.-sales; Willie P. Ozbirn, v.p.-research and development; David K. Sentman, treasurer; William D. Baker, controller; Jeannine M. Davis, secretary & asst. general counsel; Thomas C. Eggebeen, James E. Hayes, asst. controllers.

Directors: Joseph DiGirolamo, chairman of the board; Robert D. Hostetler, Gary B. Erekson.

Areas of Work: Manufactures floppy disk drives for recording and retrieving digital information. Also manufactures electronic components for consumer, industrial and military electronic equipment. Products include variable resistors (potentiometers and trimmers), cermet microelectronic products (resistor and/or capacitor networks, hybrid circuits and variable resistors), loudspeakers, quartz crystal products (quartz crystals, filters, oscillators and crystal component ovens), injection molded plastic products, solid state rectifiers, selector switches, tools and dies, and automation machinery, tire rasps, and custom display fixtures.

Subsidiaries:

CTS of Elkhart Inc.
1142 West Beardsley Avenue
Elkhart, Indiana 46514
(219) 523-0210

CTS of Berne, Inc.
406 Parr Road
Berne, Indiana 46711
(219) 589-3111

CTS of Asheville, Inc.
Mills Gap Road
Skyland, North Carolina 28776
(704) 684-6451

CTS Microelectronics, Inc.
1201 Cumberland Avenue
West Lafayette, Indiana 47906
(317) 463-2565

CTS Halex Division
Irvine, California

CTS Knights, Inc.
400 Reimann Avenue
Sandwich, Illinois 60548
(815) 786-8411

CTS Tool, Die & Machine, Inc.
3000 Engle Road
Fort Wayne, Indiana 46809
(219) 747-0531

CTS of Brownsville, Inc.
1100 Roosevelt Street
Brownsville, Texas 78520
(512) 546-5184

CTS of Canada, Ltd.
80 Thomas Street
Streetsville, Ontario, Canada
(416) 826-1141

CTS Components Taiwan, Ltd.
Central 6th Road (Chung Liu Road)
P.O. Box 26020
Kaohsiung, Taiwan

CTS Singapore Pte., Ltd.
Republic of Singapore

CTS of Bentonville
1300 S.E. 8th Street
Bentonville, Arkansas 72712

Systems Division
Eden Prairie, Minnesota

Middlebury Division
Middlebury, Indiana

Monon Division
Monon, Indiana

Circuits Division
Fremont, California
Baldwin, Wisconsin

Connector Division
New Hope, Minnesota
Cokato, Minnesota

Paso Robles Division
Paso Robles, California

San Jose Division
San Jose, California

Fabri-Tek Computer Components
Blantyre, Scotland, United Kingdom

Fabri-Tek H.K. Limited
Kowloon, Hong Kong

CTS de Mexico, S.A.
Matamoros, Mexico

Transfer Agent(s):

Midwest Commerce Banking Company
Elkhart, Indiana 46515

The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: CTS

Number of Employees:

1985	8,200	1982	6,825
1984	8,172	1981	6,826
1983	7,001		

Plant Footage:

1985 . . . . . 3,000,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 261,613,000	$ 9,436,000
1984	279,151,000	(2,582,000)
1983	215,137,000	9,145,000
1982	207,470,000	9,368,000
1981*	186,099,000	13,352,000

	No. of Com Shares ‡	Earn. per Share ‡
1985	5,746,165	$ 1.64
1984	5,747,747	—
1983	5,667,342	1.61
1982	5,256,320	1.78
1981*	5,185,163	2.58

(Loss)
* 53 weeks.
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	1.00	—	—
1983	1.00	—	—
1982	1.00	—	—
1981	0.975	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 136,089,000	$ 24.10
1984	135,219,000	23.52
1983	143,947,000	25.05
1982	128,383,000	23.68
1981	121,955,000	23.21

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 261,613	$ 279,151
Cost of sales	208,828	207,419
Expenses	40,735	36,128
Interest expense	2,770	2,581
Other expense (income)	(2,406)	608
Income before taxes	$ 11,686	$ 32,415
Income taxes	3,754	13,377
Inc. - cont. oper.	$ 7,932	$ 19,038
Inc.(loss)-discont. oper.	1,504	(21,620)
Net Income (Loss)	$ 9,436	$ (2,582)

* Included in Costs and Expenses, Depreciation and Amortization: $13,920,000 in 1985 and $11,065,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash & cert. of deposit	$ 13,295	$ 11,407
Accts. receiv., net	31,143	37,454
Recov. inc. taxes	—	9,161
Def. inc. taxes	4,486	4,567
*Inventories	50,398	59,451
Other curr. assets	3,192	2,311
Assets of discont. oper.	20,573	20,807
Current Assets	$ 123,087	$ 145,158
#Fixed assets	68,938	49,396
Other assets	21,234	30,680
Total Assets	$ 213,259	$ 225,234

Liabilities
(000's)

Notes payable	$ 13,992	$ 13,900
Long-term debt, curr.	514	2,002
Accts. payable	13,365	17,580
Accruals	7,187	7,312
Accrued payroll	8,983	10,257
Accrued discont. exp.	2,216	8,566
Dividends payable	1,415	1,441
Income taxes	378	—
Curr. Liabilities	$ 48,050	$ 61,058
Long-term debt	26,779	26,264
Deferred inc. taxes	2,341	2,693
+Common stock	35,298	35,471
Retained earnings	105,904	102,202
Cum. for. curr. trans.	(86)	(524)
Treasury stock	(5,027)	(1,930)
Total Liabilities & Shareholders' Equity	$ 213,259	$ 225,234

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value

Statistical Summary

%Net Income to Equity	6.93	—
Sales to Inventories	5.19	4.70
Debt to Equity	0.30	0.31
Working Capital	$ 75,037,000	$ 84,100,000
Current Ratio	2.56	2.38
Shareholders' Equity	$136,089,000	$135,219,000

Cubic Corporation

9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780

P.O. Box 85587
San Diego, California 92138

Officers: Walter J. Zable, president & chairman of the board; Walter C. Zable, vice chairman & v.p.; William C. Stewart, Jr., v.p., secretary & general counsel; Colvin C. Wellborn, sr. v.p.; Louis G. Dameson, Jr., v.p.-corp. planning; James B. Jenkins, v.p.-contracts; Marlyn L. Hicks, v.p.-corporate; Raymond L. deKozan, v.p.-marketing; William J. Thompson, v.p.-development planning; Thomas A. Baz, v.p. & corp. controller; George Eaton, v.p.-gen. mgr.-Cubic Defense Systems; William Boyle, v.p.-finance & treasurer; Daniel Jacobsen, asst. secretary; Jerome M. Ringer, asst. to the president.

Directors: Walter J. Zable, chairman, Thomas Moran, Jackson D. Arnold, Walter C. Zable, Malin Burnham, William J. Kelly.

Areas of Work: Simulation and training systems, navigational systems, surveying equipment, elevators, automated fare collection systems, oil exploration equipment, welding supplies, gases, safety equipment, power-tools. Radio communications equipment, electronic medical equipment, computer service bureau and micrographics.

Divisions and Subsidiaries:

Defense Systems Division
9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780

Cubic Communications
305 Airport Road
Oceanside, California 92054
(619) 757-7525

Cubic Data Systems
5225 Lovelock
San Diego, California 92109
(619) 297-9980

Cubic Far East (Singapore) PTE Ltd
4 Shenton Way
#17-00 Shing Kwan House
Singapore 0106

Cubic Precision/K&E Electro-Optical Products
750 Huyler Street
Teterboro, New Jersey 07608
(201) 288-6000

Westinghouse Cubic Ltd. (50% owned)
First Floor
15/17 Long Acre
London WC2E 9LH
England

G.S. Parsons Companies
9010 Clairemont Mesa Boulevard

Cubic Corporation

San Diego, California 92123
(619) 279-8200

U.S. Elevator
10728 U.S. Elevator Road
Spring Valley, California 92078
(619) 460-1000

Consolidated Converting Company
2601 Workman Mill Road
Whittier, California 90601
(213) 692-9421

Cubic Western Data
5650 Kearny Mesa Road
San Diego, California 92111
(619) 268-3100

Cubic Precision
1308 South Washington Street
Tullahoma, Tennessee 37388
(615) 455-8524

Cubic Finance Corporation
San Diego, California

Transfer Agent(s):

California First Bank
San Diego, California

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: CUB

Sales and Earnings

	Net Sales	Net Income
1985	$ 331,701,000	$ 14,725,000
1984	275,097,000	14,018,000
1983	273,244,000	17,341,000
1982	293,610,000	16,222,000
1981	228,243,662	11,028,630

	No. of Com. Shares #	Earn. per Share #
1985	7,873,000	$ 1.87
1984	7,926,000	1.77
1983	7,926,000	2.19
1982	7,926,000	2.05
1981	7,918,000	1.39

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenue By Line of Business

	1985 (000's)	%	1984 (000's)	%
Electronic defense systems	$159,451	48%	$125,857	46%
Elevator products	93,605	28	86,678	32
Other	78,645	24	62,562	22
Total	$331,701	100%	$275,097	100%

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.39	—	—
1984	0.39	—	—
1983	0.36	—	—
1982	0.33	—	2-for-1
1981	0.24	—	4-for-3

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 110,644,000	$ 14.21
1984	101,730,000	12.83
1983	90,861,000	11.46
1982	75,873,000	9.57
1981	62,209,520	7.85

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 331,701,000	$ 275,097,000
Interest income	3,677,000	4,966,000
Other income	597,000	291,000
Gain on sale	3,189,000	-
Total income	$ 339,164,000	$ 280,354,000
Cost of sales	254,842,000	201,424,000
Expenses	55,902,000	49,793,000
Interest expense	2,652,000	2,988,000
Income before taxes	$ 25,768,000	$ 26,149,000
Income taxes	11,043,000	12,131,000
Net Income	$ 14,725,000	$ 14,018,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,570,000 in 1985 and $6,244,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 1,686,000	$ 36,285,000
Marketable securities	11,656,000	3,188,000
Accts. receiv., net	113,200,000	78,406,000
*Inventories & costs of contracts	22,101,000	18,657,000
Prepaid expenses	9,663,000	11,188,000
Current Assets	$ 158,306,000	$ 147,724,000
#Fixed assets	35,687,000	34,631,000
Other assets	8,904,000	11,013,000
Total Assets	$ 202,897,000	$ 193,368,000

Liabilities

	1985	1984
Long-term debt, curr	$ 2,560,000	$ 3,212,000
Accts. payable	19,245,000	14,152,000
Accrued payroll	8,968,000	7,599,000
Notes payable	—	2,050,000
Income taxes	17,293,000	12,241,000
Other liab.	15,364,000	14,034,000
Curr. Liabilities	$ 63,430,000	$ 53,288,000
Long-term debt	21,972,000	27,432,000
Deferred inc. taxes	5,067,000	9,270,000
Deferred comp.	1,784,000	1,648,000
+Common stock	234,000	234,000
Add. paid-in capital	12,123,000	12,123,000
Retained earnings	101,094,000	89,373,000
Treasury stock	(2,807,000)	—
Total Liabilities & Shareholders' Equity	$ 202,897,000	$ 193,368,000

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	7.77	9.51
%Net Income to Sales	4.44	5.10
%Net Income to Equity	13.31	13.78
Debt to Equity	0.22	0.32
Working Capital	$ 94,876,000	$ 94,436,000
Current Ratio	2.50	2.58
Shareholders' Equity	$110,644,000	$101,730,000

Curtiss-Wright Corporation

One Passaic Street
Wood-Ridge, New Jersey 07075
(201) 777-2900

Officers: T. Roland Berner, chairman & president; Charles E. Ehinger, Richard P. Sprigle, exec. v.p.'s; David Lasky, sr. v.p. & general counsel; Morris A. Crausman, Arnold F. Kossar, Gerald Nachman, John J. Rooney, v.p.'s; Francis E. Fallon, secretary; Martin A. Sherry, treasurer; John F. Staubach, controller.

Directors: T. Roland Berner, chairman; S. D. Brinsfield, John S. Bull, John B. Morris, William F. Raborn, Jr., Jesse Werner, Edward E. White, Richard Dicker.

Areas of Work: Produces and markets precision components and systems, and provides highly engineered services to three broad areas of business activity: Aerospace, Flow Control and Marine, and Industrial.

Subsidiaries:

Curtiss-Wright/Marquette, Inc.
400 South Main Street
Fountain Inn, South Carolina 29644

Metal Improvement Company
10 Forest Avenue
Paramus, New Jersey 07652

Target Rock Corporation
1966 East Broadhollow Road
East Farmingdale, New York 11735

Curtiss-Wright of Canada, Inc. (68.7% owned)
1815 Sismet Road
Mississauga, Ontario L4W 1P9
Canada

Curtiss-Wright Flight Systems, Inc.
300 Fairfield Road
Fairfield, New Jersey 07006

Buffalo Facility
60 Grider Street
Buffalo, New York 14215

Transfer Agent(s):

Manufacturers Hanover Trust Co.
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: CW

Number of Employees:

1985	2,026	1984	1,739

Sales and Earnings

	Net Sales	Net Income
1985	$ 159,942,000	$ (42,361,000)
1984	144,369,000	1,886,000
1983	180,417,000	18,503,000
1982	185,582,000	20,805,000
1981	194,929,000	85,308,000

	No. of Com. Shares †	Earn. per Share †
1985	4,852,000	$ —
1984	4,836,000	0.39
1983	4,826,000	3.83
1982	4,814,000	4.32
1981	4,738,000	17.99

(Loss)
† Based on the weighted average number of common shares outstanding during each year.

Revenues By Line of Business
(000's)

	1985	1984
Industrial prods.	$ 37,600	$ 30,000
Flow control & marine	56,500	55,000
Aerospace	66,100	59,400
Total	$ 160,200	$ 144,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.20	—	—
1983	1.20	—	—
1982	1.10	—	—
1981	1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 179,643,000	$ 37.02
1984	148,169,000	30.64
1983	231,105,000	47.89

1982	218,209,000	45.33
1981	203,063,000	42.86

† Based on the weighted average number of common shares outstanding during each year

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 159,942	$ 144,369
Gain on sale of real est. & equip.	8,467	8,840
Interest & div. inc.	5,144	5,625
Other income	599	2,902
Total revenues	$ 174,152	$ 161,736
Cost of sales & expenses		
Prod. & eng.	108,903	97,195
Sell. & serv.	8,881	7,319
Adm. & gen.	29,661	29,152
Interest	4,253	4,688
Write-down of invest. in Western Union	59,828	11,500
Inc. (loss) bef. taxes	$ (37,374)	$ 11,882
Income taxes	4,987	9,996
Net Income (Loss)	$ (42,361)	$ 1,886

* Included in Costs and Expenses, Depreciation: $7,330,000 in 1985 and $6,657,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 4,529	$ 11,461
Marketable securities	117,105	46,036
Accts. receiv., net	22,348	21,451
Unbilled charges	8,591	8,039
*Inventories	25,235	22,811
Other curr. assets	6,384	4,520
Current Assets	$ 184,192	$ 114,318
Invest. in Western Union	—	38,691
Invest. in assoc. cos.	—	3,127
#Fixed assets	86,488	74,561
Other assets	13,838	19,058
Total Assets	$ 284,518	$ 249,755

Liabilities
(000's)

	1985	1984
Accts. payable	$ 9,433	$ 5,933
Accrued comp.	3,951	3,236
Accruals	11,037	11,637
Income taxes	2,669	2,868
Def. inc. taxes	8,558	7,182
Other curr. liab.	8,796	9,176
Curr. Liabilities	$ 44,444	$ 40,032
Long-term debt	47,762	51,149
Deferred inc. taxes	10,657	8,339
Minority int. in subsid.	2,012	2,066
+ Common stock	10,000	10,000
Add. paid in capital	56,357	56,508
Retained earnings	307,207	355,393
Unreal. deprec. on invest.	—	(78,513)
Eq. adjust. from for. curr. trans.	(2,541)	(3,119)
Treasury stock	(191,380)	(192,100)
Total Liabilities & Shareholders' Equity	$ 284,518	$ 249,755

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Revenues	—	7.35
%Net Income to Revenues	—	1.17
%Net Income to Equity	—	1.27
Debt to Equity	0.27	0.35
Working Capital	$139,748,000	$ 74,286,000
Current Ratio	4.14	2.86
Shareholders' Equity	$179,643,000	$148,169,000

Cushman Electronics, Inc.

4500 Campus Drive, Suite 235
Newport Beach, California 92660
(714) 756-8171

Officers: John F. Bishop, chairman of the board & treasurer; Mark K. Howlett, vice chairman of the board; Raymond V. White, president; Paul S. Daniel, asst. secretary & chief financial officer; Joseph M. Veni, v.p.-sales; Marietta G. Mundy, secretary.

Directors: John F. Bishop, chairman of the board; J. Bradford Bishop, Burgess Dempster, Mark K. Howlett, Robert D. Johnson.

Areas of Work: Manufactures FM two-way radio test and maintenance equipment, telephone test instruments, and telephone transmission equipment.

Subsidiaries:

Cushman Electronics
International Sales Corp.

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CUSH (NASDAQ)

Number of Employees:

1985	N.A.	1982	242
1984	169	1981	342
1983	200		

Plant Footage:

1985	N.A.	1983	43,300
1984	43,300 sq. ft.		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income *
1985	$ 8,063,000	$ (1,694,000)
1984	10,353,000	366,000
1983	14,347,000	74,000
1982	17,856,000	(445,000)
1981	19,401,000	753,000

	No. of Com. Shares	Earn. per Share †
1985	1,043,000	$ —
1984	1,043,000	0.35
1983	1,013,000	0.07
1982	1,068,000	
1981	1,069,000	0.70

(Loss)
† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.06	—	—
1984	0.12	—	—
1983	0.12	—	—
1982	0.12	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,538,000	$ 2.43
1984	4,294,000	4.12
1983	3,852,000	3.80
1982	4,246,000	3.98
1981	4,829,000	4.52

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 8,063,000	$ 10,353,000
Cost of sales	5,680,000	6,528,000
Expenses	4,567,000	5,327,000
Interest expense	185,000	276,000
Gain on exch. of lease	—	(2,374,000)
Income (loss) bef. taxes	$ (2,369,000)	$ 596,000
Income taxes (credit)	(675,000)	230,000
Net Income (Loss)	$ (1,694,000)	$ 366,000

* Included in Costs and Expenses, Depreciation and Amortization: $258,000 in 1985 and $246,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 110,000	$ 136,000
Note receivable	1,190,000	—
Accts. receiv., net	1,147,000	1,642,000
*Inventories	2,176,000	2,455,000
Prepaid expenses	141,000	46,000
Prepaid income taxes	100,000	210,000
Current Assets	$ 4,864,000	$ 4,489,000
Notes receivable	106,000	164,000
#Fixed assets	649,000	5,247,000
Other assets	88	109,000
Total Assets	$ 5,707,000	$ 10,009,000

Liabilities

	1985	1984
Long-term debt, curr.	$ —	$ 232,000
Short-term debt	1,048,000	250,000
Accts. payable	609,000	609,000
Accruals	904,000	852,000
Estimated income taxes	38,000	—
Curr. Liabilities	$ 2,599,000	$ 1,943,000
Long-term debt	—	2,893,000
Deferred income taxes	—	879,000
Deferred gain	570,000	—
+ Common stock	1,312,000	1,312,000
Retained earnings	1,226,000	2,982,000
Total Liabilities & Shareholders' Equity	$ 5,707,000	$ 10,009,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	—	5.76
%Net Income to Sales	—	3.54
%Net Income to Equity	—	8.52
Sales to Inventories	3.71	4.22
Debt to Equity	0.41	0.79
Working Capital	$2,265,000	$2,546,000
Current Ratio	1.87	2.31
Shareholders' Equity	$2,538,000	$4,294,000

The Cyclotron Corporation

950 Gilman Street
Berkeley,California 94710
(415) 524-8670

Note: As of Feb. 28, 1985 there were no Directors and Officers. Their functions having been assumed by the Bankruptcy Court through its trustee.

Areas of Work: Manufactures and sells nuclear particle accelerators which provide beams of charged particles for use in nuclear medicine, neutron radiotheraphy, physics research, and nuclear chemistry. Also manufactures positron imaging devices for medical diagnosis and research, and a neutron generator system for radiotherapy.

The Cyclotron Corporation

Transfer Agent(s):

Bank of America NT & SA
World Headquarters Building
555 California Street
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CYCCQ (NASDAQ)

Number of Employees:

1984	2	1981	180
1983	N.A.	1980	165
1982	N.A.		

Plant Footage:

1984	N.A.	1981	58,000 sq.ft.
1983	N.A.	1980	58,000
1982	N.A.		

N.A. - Not Available.

Sales and Earnings*

	Net Sales +	Net Income
1984	$ 1,094,894	$ (866,794)
1983	3,185,195	(1,209,499)
1982	(2,221,126)	(13,802,562)
1981	3,784,356	(4,984,814)
1980	10,097,080	856,716

	No. of Com. Shares	Earn. per Share ‡
1984	1,457,612	$ —
1983	1,457,612	—
1982	1,457,612	—
1981	1,457,612	—
1980	1,170,062	0.72

(Loss)
* Unaudited.
‡ Based on the weighted average number of common shares outstanding.
+ Including contract revenues; net contract revenue cancellations.

Common Stock Equity*

	Total Equity	Equity Per Share ‡
1984	$ (12,409,961)	$ —
1983	(11,543,167)	—
1982	(10,333,668)	—
1981	3,468,894	2.38
1980	4,611,620	3.94

* Unaudited
(Deficiency)

Income Account *

Year ended Dec. 31	1984	1983
Net sales & contract revenues	$ 1,094,894	$ 3,473,526
Prov. for contract adjust. & cancel.	—	(288,331)
Net contract revenues	$ 1,094,894	$ 3,185,195
Cost of sales & contract revenues	1,160,263	2,635,192
Expenses	275,005	904,505
Interest expense	526,420	499,868
Research & develop.	—	30,129
Write-down of invent.	—	325,000
Net Loss	$ (866,794)	$ (1,209,499)

* Included in Costs and Expenses, Depreciation: $125,856 in 1984 and $202,676 in 1983.

Assets

As of Dec. 31	1984	1983
Cash	$ 26,501	$ 36,601
Temp. cash invest.	—	169,016
Accts. receiv., net	133,332	270,789
*Contracts & inventories	701,820	1,002,357
Prepaid expenses	28,952	48,336
Current Assets	$ 890,605	$ 1,527,099
#Fixed assets	2,162,518	2,365,735
Other assets	42,930	43,789
Total Assets	$ 3,096,053	$ 3,936,623

Liabilities

Advance by trustee	$ 243,437	$ —
Accts. payable	118,268	110,440
Notes payable	10,333	14,322
Accrued compensation	46,377	141,190
Accruals	491,143	312,985
Billing in excess of costs	272,795	1,065,883
Secured notes pay.	2,595,094	2,750,000
Secured int. accrual	239,619	53,353
Long-term debt, curr.	5,000	40,442
Joint venture commit.	176,494	—
Pre-Chap. XI liab.	11,022,143	10,701,891
Curr. Liabilities	$ 15,220,703	$ 15,190,506
Long-term debt	242,817	246,790
Deferred inc. taxes	42,494	42,494
+ Common stock	1,373,006	1,373,006
Add. paid-in capital	4,110,987	4,110,987
Accum. deficit	(17,893,954)	(17,027,160)
Total Liabilities & Shareholders' Equity	$ 3,096,053	$ 3,936,623

* At lower of cost or market.
# Less accumulated depreciation.
+ No par value.

Daedalus Enterprises, Inc.

P.O. Box 1869
Ann Arbor, Michigan 48106
(313) 769-5649

Officers: Alan K. Parker, chairman of the board, president & chief exec. officer; Thomas R. Ory, exec. v.p.; Sarah J. White, v.p.-finance, treasurer & chief financial officer; Charles G. Stanich, v.p.-research & development; Thomas Casoglos, secretary.

Directors: Alan K. Parker, chairman; Thomas W. Butler, Jr., Lloyd A. Semple, Thomas Casoglos, Philip H. Power, John F. Towson, John O. Sanders, Wayne E. Avis.

Areas of Work: Manufactures remote sensing devices. The principal products are scanner systems which are installed in aircraft for acquisition of remote sensing data. These data are subsequently processed on the ground by the company's data handling equipment. The information derived from the airborne sensor and processed by the ground stations is used for monitoring and measuring water pollution; for oil, mineral and geothermal exploration; for heat budget and energy loss studies; and for the evaluation of other environmental quality related problems.

Transfer Agent(s):

Michigan National Bank
Grand Rāpids, Michigan

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	$ 2,045,834	$ (521,555)
1984	2,047,005	(365,358)
1983	2,702,249	121,929
1982	2,535,969	(21,975)
1981	2,761,964	46,882

	No. of Com. Shares	Earn. Per Share ‡
1985	540,783	$ —
1984	509,109	—
1983	507,209	0.24
1982	507,209	—
1981	507,209	0.09

(Loss)
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,225,220	$ 2.27
1984	1,654,672	3.25
1983	2,014,463	3.97
1982	1,892,534	3.73
1981	1,914,509	3.77

Income Account *

Year ended July 31	1985	1984
Net sales	$ 2,045,834	$ 2,047,005
Interest income	75,237	87,652
Total income	$ 2,121,071	$ 2,134,657
Cost of sales	1,035,636	1,219,304
Expenses	1,448,056	1,243,334
Interest expense	158,934	132,377
Loss before taxes	$ (521,555)	$ (460,358)
Tax credit	—	(95,000)
Net Loss	$ (521,555)	$ (365,358)

* Included in Costs and Expenses, Depreciation: $142,008 in 1985 and $113,491 in 1984.

Assets

As of July 31	1985	1984
Cash	$ 65,491	$ 58,497
Accts. receiv., net	101,037	112,832
Unbilled accts. receiv.	—	351,335
*Inventories	942,183	1,079,926
Other current assets	21,498	14,316
Current Assets	$ 1,130,209	$ 1,616,906
#Fixed assets	1,698,682	1,570,608
Other assets	114,078	25,038
Total Assets	$ 2,942,969	$ 3,212,552

Liabilities

Note payable	$ 317,853	$ 185,000
Long-term debt, curr.	13,300	11,700
Accts. payable	111,541	106,180
Accruals	38,269	35,066
Accrued payroll	228,479	197,189
Income taxes	14,575	15,741
Curr. Liabilities	$ 724,017	$ 550,876
Long-term debt	944,732	958,004
Deferred income taxes	49,000	49,000
+ Common stock	5,408	5,091
Add. paid-in capital	960,765	868,979
Retained earnings	259,047	780,602
Total Liabilities & Shareholders' Equity	$ 2,942,969	$ 3,212,552

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	2.17	1.90
Debt to Equity	1.04	0.70
Working Capital	$ 406,192	$1,066,030
Current Ratio	1.56	2.94
Shareholders' Equity	$1,225,220	$1,654,672

Damon Corporation

115 Fourth Avenue
Needham Heights, Massachusetts 02194
(617) 449-0800

Beatrice Companies, Inc.

Ehrenberg, vice president and director-Planning and Operations Staff; Michael Fung, vice president and director-Operations Analysis; Donald H. Klein, vice president and director-security; Daniel M. Lechin, vice president and director-corporate development; Mari Meseng, vice president and director-corporate relations; Lee F. Reiser, Jr., vice president and director-special events; John A. Stevens, vice president and controller; M. Patricia Kehoe, secretary; A. Jerome Becker, assistant vice president and director-International Treasury; Kathleen B. Kallman, assistant vice president and assistant to the chairman.

Directors: Angelo R. Arena, Alexander Brody, G.A. Costanzo, James W. Cozad, James L. Dutt, chairman of the board, Frank E. Grzelecki, Walter J. Leonard, David E. Lipson, Anthony Luiso, Bernard A. Monaghan, William S. Mowry, Jr., Richard J. Pigott, Cedric E. Ritchie, Goff Smith, Jayne B. Spain, Omer G. Voss, Russell L. Wagner, Murray L. Weidenbaum.

Areas of Work: The company recently acquired Esmark, Inc. Through Estronico, Inc. an Esmark subsidiary, the company manufactures high performance audio and high fidelity loudspeakers. Other industries served by Esmark companies are industrial and automotive products.

Number of Employees:

1984	100,000

Sales and Earnings

	Net Sales † (000's)	Net Income (000's)
1985	$ 12,595,000	$ 479,000
1984	9,327,000	433,000
1983	9,139,000	43,000
1982	9,021,000	390,000
1981	8,773,000	304,000

	No. of Com. Shares	Earn. per Share ‡
1985	91,655,000	$ 5.06
1984	91,440,000	4.23
1983	99,084,000	0.27
1982	98,439,000	3.02
1981	N.A.	2.94

N.A.-Not Available.

† Includes operating revenues.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
U.S. Food	$ 6,270,000	$ 4,095,000
Consumer prods.	1,953,000	948,000
International food	1,852,000	[illegible]
Avis/Other operations	821,000	[illegible]
Divestitures	1,699,000	[illegible]
Total	$ 12,595,000	$ 9,327,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.70	—	—
1984	1.60	—	—
1983	1.50	—	—
1982	1.40	—	-
1981	1.30	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$2,114,000,000	$ 23.07
1984	1,834,000,000	20.06
1983	1,961,000,000	19.77
1982	2,162,000,000	21.95

‡ After allowing for preferred stock at redemption values.

Income Account *
(000's)

Year ended	2/28/85	2/29/84
Net sales	$ 12,595,000	$ 9,327,000
Cost of sales	8,789,000	6,664,000
Expenses	2,761,000	1,771,000
Depreciation	265,000	194,000
Interest income	(55,000)	(39,000)
Interest expense	449,000	113,000
Business realignment	(414,000)	(163,000)
Other income	(38,000)	(16,000)
Income before taxes	$ 838,000	$ 803,000
Income taxes	349,000	360,000
Minority interests	10,000	10,000
Net Income	$ 479,000	$ 433,000

Assets
(000's)

As of	2/28/85	2/29/84
Cash	$ 126,000	$ 67,000
Short-term invest.	222,000	65,000
Divestiture proceeds	855,000	—
Accts. receiv., net	1,201,000	906,000
*Inventories	1,418,000	819,000
Rental vehicles	846,000	—
Other curr. assets	375,000	101,000
Current Assets	$ 5,043,000	$ 1,958,000
Investments	246,000	75,000
#Fixed assets	2,198,000	1,559,000
Unallocated purch. cost	1,924,000	—
Other assetss	285,000	131,000
Intangibles	683,000	741,000
Total Assets	$ 10,379,000	$ 4,464,000

Liabilities
(000's)

	2/28/85	2/29/84
Long-term debt, curr. & short-term debt	$ 2,108,000	$ 212,000
Accts. payable	1,020,000	583,000
Accruals	1,304,000	470,000
Curr. Liabilities	$ 4,432,000	$ 1,265,000
Long-term debt	2,587,000	779,000
Other liabilities	549,000	176,000
Minority interest	80,000	57,000
Deferred inc. taxes	374,000	159,000
+ Preferred stock:		
Series A cum. convert.	168,000	194,000
Convert. Adjust.	75,000	—
+ Common stock	189,000	189,000
Add. paid-in capital	180,000	178,000
Retained earnings	2,304,000	[illegible]
Treasury stock	(344,000)	(353,000)
For. curr. tran. adjust.	(215,000)	(185,000)
Total Liabilities & Shareholders' Equity	$ 10,379,000	$ 4,464,000

* At lower of cost (LIFO & FIFO) or market.

# Less accumulated depreciation.

+ No par value.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.65	8.61
%Net Income to Sales	3.80	4.64
%Net Income to Equity	20.32	21.35
Sales to Inventories	8.88	11.39
Working Capital	$ 611,000,000	$ 693,000,000
Current Ratio	1.14	1.55
Shareholders' Equity	$2,357,000,000	$2,028,000,000

Becton Dickinson and Company

Mack Centre Drive
Paramus, New Jersey 07652
(201) 967-3700

Officers: Wesley J. Howe, chairman of the board, president & chief exec. officer; Photios T. Paulson, exec. v.p.; Henry P. Becton, vice chairman; Raymond V. Gilmartin, sr. v.p.; Robert G. Butler, secretary; Robert W. Alpers, v.p.-manufacturing services; Robert P. Denise, v.p. & treasurer; John W. Galiardo, v.p. & general counsel; Donald S. Hetzel, v.p.-research & development; Mark H. Borofsky, v.p.-taxes; Edward D. Lundy, v.p.-organization, planning & development; Edward R. Duffie, Jr., v.p.-medical affairs; E. Ralph Biggadike, v.p.-strategic management; Wilson Nolen, Nagesh S. Mhatre, Willard O. Andrews, v.p.'s; Robert A. Reynolds, v.p. & controller; James W. Hulse, v.p.-quality and regulatory affairs; C. Edward Snyder, v.p.-human resources; Richard F. Carey, James S. Burns, Franklin J. Iris, group presidents; Clateo Castellini, Herbert B. Morote, sector presidents.

Directors: Wesley J. Howe*, chairman; Henry P. Becton*, vice chairman; Harry N. Beaty, Raymond V. Gilmartin, Robert W. Haack, Richard W. Hanselman, William B. Macomber, Frank A. Olsen, Photios T. Paulson*, Gerald M. Edelman, Fred R. Sullivan*, Raymond S. Troubh*.

* Member of the Executive Committee.

Areas of Work: The Company manufactures a broad range of medical, diagnostic and industrial safety products for use by the medical profession, industry and the general public.

Divisions and Subsidiaries:

BBL Microbiology Systems
250 Schilling Circle
Cockeysville, Maryland 21030
Develops tests for infectious diseases.

Bard-Parker
2 Bridgewater Lane
Lincoln Park, New Jersey 07035

Becton Dickinson FACS
490 B Lakeside Drive
Sunnyvale, California 94086
(408) 738-8558
Manufactures fluorescence-activated cell sorter systems which include an analysis console with microprocessor and keyboard.

Becton Dickinson Immunodiagnostics
Mountain View Avenue
Orangeburg, New York 10962
(914) 359-2700
Manufactures automated radioimmunossay equipment which is used to detect the presence of extremely small quantities of minute substances.

Becton-Dickinson
Rutherford, New Jersey 07070

Becton-Dickinson Consumer Products
365 West Passaic Street
Rochelle Park, New Jersey 07662

Becton-Dickinson Laboratory Systems
333 Littleton Road, Suite 101
Parsippany, New Jersey 07054

Becton-Dickinson Labware
1950 Williams Drive
Oxnard, California 93030

Becton-Dickinson Monoclonal Center, Inc.
2375 Garcia Avenue
Mountain View, California 94043

Becton-Dickinson Pharmaceutical Systems
Rutherford, New Jersey 07070

Digitran
3100 New York Drive
Pasadena, California 91107
Produces digital switches used in instrument panels.

Endevco Corporation
Rancho Viejo Road
San Juan Capistrano, California 92675
Produces electronic test equipment to measure and monitor shock, vibration, force, pressure, acceleration and acoustic emissions.

Becton-Dickinson Research Center
Davis Drive
Research Triangle Park, North Carolina 27709

Becton-Dickinson VACUTAINER Systems
Mahoney Troast Building
Route 17 North
Rutherford, New Jersey 07070

Becton-Dickinson International Sales
Mack Center Drive
Paramus, New Jersey 07652

Clay Adams Laboratory Systems
299 Webro Road
Parsippany, New Jersey 07054
Develops equipment for hematology analysis.

Edmont
1300 Walnut Street
Coshocton, Ohio 43812
Produces personal safety wearing apparel primarily for automobile and construction industries.

Ivers-Lee
147 Clinton Road
West Caldwell, New Jersey 07006
Provides packaging services to pharmaceutical, cosmetics and toiletry companies.

Becton-Dickinson Overseas, Inc.
Becton-Dickinson Asia Pacific
Shimato Building
5-34, Akaska 8-Chome
Minato-Ku
Tokyo 107, Japan

Becton-Dickinson Europe
Pre Pichat
5, Chemin des Sources
38240 Meylan, France

Becton-Dickinson VACUTAINER Systems-Europe
Becton-Dickinson Laboratory Products-Europe
Becton-Dickinson Medical Products-Europe
All at:
Pre Pichat
5, Chemin des Sources
38240 Meylan, France

Becton-Dickinson Latin America
Mack Centre Drive
Paramus, New Jersey 07652

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: BDX

Number of Employees:

1985	16,900	1982	21,200
1984	17,700	1981	21,500
1983	19,100		

Plant Footage:

1985 . . . . . . 8,055,000 sq. ft.

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,143,789	$ 88,002
1984	1,126,845	63,403
1983	1,119,520	35,930
1982	1,113,921	76,692
1981	1,066,093	75,863

	No. of Com. Shares ‡	Earn. per Share ‡
1985	21,169,000	$ 4.20
1984	21,227,000	3.03
1983	21,573,000	1.71
1982	21,437,000	3.63
1981	21,378,000	3.61

‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Medical	$ 688,873	$ 668,757
Laboratory	261,801	260,828
Industrial safety	193,115	197,260
	$ 1,143,789	$ 1,126,845

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.1625	—	—
1983	1.15	—	—
1982	1.10	—	—
1981	1.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1985	$ 681,052	$ 33.65
1984	606,775	30.05
1983	597,710	28.80
1982	584,360	28.42
1981	565,896	27.85

+ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 1,143,789	$ 1,126,845
Cost of sales	625,566	628,717
Expenses	380,576	392,117
Interest expense	19,260	22,757
Interest income	(19,536)	(23,824)
Other expense	6,954	14,170
Income before taxes	$ 130,969	$ 92,908
Income taxes	42,967	29,505
Net Income	$ 88,002	$ 63,403

* Included in Costs and Expenses, Depreciation and Amortization: $59,390,000 in 1985 and $59,127,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 8,398	$ 9,454
Investments	109,956	138,665
Receivables, net	208,242	198,991
*Inventories	182,742	165,971
Deferred income taxes	—	15,163
Other curr. assets	67,146	37,282
Current Assets	$ 576,484	$ 565,526
#Fixed assets	478,978	431,159
Other assets	161,449	104,462
Intangibles	23,997	28,083
Total Assets	$ 1,240,908	$ 1,129,230

Liabilities
(000's)

Notes payable	$ 57,260	$ 12,614
Long-term debt, curr.	3,949	10,132
Accts. payable & accruals	133,027	135,093
Accrued payroll	78,745	87,955
Income taxes	9,799	—
Curr. Liabilities	$ 282,780	$ 245,794
Long-term debt	220,728	226,531
Deferred inc. taxes	56,348	50,130
+Common stock	21,006	20,986
Add. paid-in capital	130,274	125,637
Foreign curr. trans. adj.	(54,668)	(63,566)
Retained earnings	610,026	546,232
Treasury stock	(25,586)	(22,514)
Total Liabilities & Shareholders' Equity	$ 1,240,908	$ 1,129,230

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.45	8.24
%Net Income to Sales	7.69	5.63
%Net Income to Equity	12.92	10.45
Sales to Inventories	6.26	6.79
Debt to Equity	0.41	0.41
Working Capital	$293,704,000	$319,732,000
Current Ratio	2.04	2.30
Shareholders' Equity	$681,052,000	$606,775,000

Beehive International

4910 Amelia Earhart Drive
Salt Lake City, Utah 84116
(801) 355-6000

Mailing Address:

P.O. Box 30668
Salt Lake City, Utah 84130

Officers: Thomas A. Howard, chairman of the board; Joseph F. Carbone, Jr., president; C. Bruce Collet, v.p., chief financial officer & treasurer; Pat A. Palmer, v.p.-sales; Richard K. Hodge, v.p.-int'l sales; Timothy W. May, v.p.-marketing; Robert E. Sherlin, v.p.-operations; Randall L. Romrell, v.p.-administrator, secretary & general counsel.

Directors: Thomas A. Howard, chairman; Joseph F. Carbone, Richard K. Hodge, Paul Dali, Herbert T. Hensley, John H. Clark, Beverly J. Russell.

Areas of Work: Assembly and sale of high performance display terminals in the telecommunications and system integration marketplace.

Transfer Agent(s):

Manufacturers Hanover Trust of California
San Francisco, California 94144

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Revenues +	Net Income
1985	$ 13,605,000	$ (8,051,000)
1984	29,477,000	(14,406,000)
1983	26,284,000	(1,626,000)
1982	29,520,000	1,006,000
1981	39,707,000	4,414,000

	No. of Com. Shares #	Earn. per Share #
1985	6,779,204	$ —
1984	3,116,231	—
1983	3,070,950	—
1982	3,036,853	—
1981	2,794,260	1.58

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Beehive International

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ (4,464,000)	$ —
1984	3,565,0002	1.14
1983	17,945,000	5.84
1982	19,257,000	6.34
1981	18,208,000	6.52

(Deficiency)

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 13,697	$ 28,604
Other income (expense)	92	873
Total income	$ 13,605	$ 29,477
Cost of sales	11,800	21,369
Expenses	9,423	13,771
Interest expense	433	1,032
Writedown of Beehive, Ltd.	—	8,473
Loss before taxes	(8,051)	(15,168)
Tax credit	—	(762)
Net Loss	$ (8,051)	$ (14,406)

* Included in Costs and Expenses, Depreciation and Amortization: $2,391,000 in 1985 and $1,633,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 244	$ 861
Short-term invest.	26	—
Accts. receiv., net	2,816	4,147
*Inventories	3,808	4,445
Prepaid expenses	341	187
Income tax receivable	144	144
Receiv. from Beehive, Ltd.	299	782
Current Assets	$ 7,678	$ 10,566
#Fixed assets	3,932	6,399
Other assets	38	427
Service stock	726	857
Total Assets	$ 12,374	$ 18,249

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 2,260	$ 6,737
Accts. payable	1,075	4,698
Accruals	797	1,303
Curr. Liabilities	$ 4,132	$ 12,738
Long-term debt	6,547	1,946
+Redeem. pref. stock	6,159	—
+ +Common stock	31	63
Add. paid-in capital	11,282	11,521
Retained earnings (deficit)	(15,777)	(7,726)
Treasury stock	—	(49)
Receiv. from Beehive, Ltd.	—	(244)
Total Liabilities & Shareholders' Equity	$ 12,374	$ 18,249

* At lower of standard cost or market.
# Less accumulated depreciation and amortization.
+ $10 par value.
+ + No par value, 1985; $0.02 par value, 1984.

Statistical Summary

Sales to Inventories	3.60	6.44
Debt to Equity	—	2.44
Working Capital	$ 3,546,000	—
Current Ratio	1.86	—
Shareholders' Equity (Deficiency)	$(4,464,000)	$3,565,000

Bel Fuse Inc.

198 Van Vorst Street
Jersey City, New Jersey 07302
(201) 432-0463

Officers: Elliot Bernstein, president; Howard Bernstein, vice president & treasurer; Daniel Bernstein, v.p.-operations; Arnold Sutta, v.p.-marketing; Robert Simandl, secretary.

Directors: Elliot Bernstein, Howard Bernstein, Robert Simandl, Sidney Faber, Seymour Offerman, Peter Loh, Joel Wiener.

Areas of Work: Manufactures electronic components for the home entertainment and data processing equipment markets. Products include chemical fuses, circuit breakers, special protective devices, spark gaps, delay lines, and special coil products.

Subsidiaries:

Bel Fuse Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

Bel Fuse Macao Liméted
Fabrica G-1, Do Andar,
Do Predio Comos
Nos. 169-169A
Av. Almirante Lacerda
Macao

Bel Components Ltd.
Star House
3 Salisbury Road
Kowloon, Hong Kong

Transfer Agent(s):

First Jersey National Bank
Jersey City, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BELF (NASDAQ)

Number of Employees:

1985 . . . . . . 957 1984 1,362

Plant Footage:

1985 . . . . . . 129,000 sq. ft. 1984 129,000

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 17,873,074	$ 1,343,493
1984	26,274,592	4,765,009
1983	18,437,377	3,436,149
1982	12,399,195	1,213,454
1981	10,222,802	357,176

	No. of Com. Shares #	Earn. per Share #‡
1985	4,760,600	$ 0.28
1984	4,729,811	1.01
1983	3,982,306	0.86
1982	3,925,320	0.31
1981	3,925,320	0.09

‡ Including extraordinary gains of $18,000 in 1983 and $45,000 ($0.01 per share) in 1982.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Divend	Stock Split
1985	—	—	—
1984	—	—	2-for-1
1983	—	—	5-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 18,226,677	$ 3.83
1984	16,842,934	3.56
1983	12,027,831	3.02
1982	4,217,156	1.07
1981	3,003,702	0.77

# Based on weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 17,873,074	$ 26,274,592
Cost of sales	12,062,548	15,411,613
Expenses	4,791,285	5,242,700
Other income	(516,750)	(411,194)
Interest expense	80,528	128,728
Eq. in loss (earn.) of assoc. co.	14,970	(6,264)
Income before taxes	$ 1,440,493	$ 5,909,009
Income taxes	97,000	1,144,000
Net Income	$ 1,343,493	$ 4,765,009

* Included in Costs and Expenses, Depreciation and Amortization: $1,006,250 in 1985 and $751,347 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 8,496,025	$ 6,213,933
Accts. receiv., net	2,075,242	2,763,788
*Inventories	2,209,332	3,551,606
Prepaid expenses	136,939	119,845
Due from officers	250,834	—
Deferred income taxes	80,000	155,000
Current Assets	$ 13,248,372	$ 12,804,172
#Fixed assets	6,939,226	6,972,943
Other assets	108,779	144,634
Invest. in assoc. co.	182,035	227,679
Total Assets	$ 20,478,412	$ 20,149,428

Liabilities

	1985	1984
Long-term debt. curr.	$ 183,151	$ 182,682
Accts. payable	333,898	460,383
Accruals	584,812	716,651
Due to officer	—	125,000
Income taxes	496,785	668,730
Curr. Liabilities	$ 1,598,646	$ 2,153,446
Long-term debt	412,089	875,048
Deferred inc. taxes	241,000	278,000
+Common stock	482,610	480,310
Add. paid-in capital	4,397,029	4,359,079
Retained earnings	13,355,870	12,012,377
Treasury stock	(8,832)	(8,832)
Total Liabilities & Shareholders' Equity	$ 20,478,412	$ 20,149,428

* At lower of cost (weighted average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.06	22.49
%Net Income to Sales	7.52	18.14
%Net Income to Equity	7.37	28.29
Sales to Inventories	8.09	7.40
Debt to Equity	0.03	0.06
Working Capital	$11,649,726	$10,650,726
Current Ratio	8.29	5.95
Shareholders' Equity	$18,226,677	$16,842,934

Bell & Howell Company

5215 Old Orchard Road
Skokie, Illinois 60077-1076
(312) 470-7100

Officers: Donald N. Frey, chairman of the board & chief executive officer; Gerald E. Schultz, president & chief operating officer; Gary D. Eisenberger, W. James Donaldson, David T. Jones, William C. Jackson, Jr., Richard L. Miller, Gary W. Ampulski, John B. Kambanis, vice presidents; Eugene F. Sikorovsky, v.p., gen. counsel & secretary; Jerome B. Herb, v.p. & controller; Philip P. Haag, Joseph S. Secker, asst. controllers; William A. Roper, v.p. & treasurer; Patrick J. Graver, asst. treasurer; Lynn E. Straley, Richard O. Becker, asst. secretaries.

Directors: Donald N. Frey, chairman; James J. O'Connor, Theodore Operhall, Joseph B. Platt, Peter G. Scotese, Henry G. Van der Eb, John F. Mitchell, Gerald E. Schultz, James J. Gavin, Jr., Robin B. Smith, Duane L. Burnham, Edwin A. Gee.

Areas of Work: Operating divisions are grouped in two lines of business: Specialized Business Equipment, and Learning Systems & materials. Specialized Business Equipment, the largest division, includes microfilm products and service, microfiche, computer output microfilm (COM), mail handling systems, remittance processing, professional film printers and duplicators. Learning Systems offers teaching material, text books, eight institutes of technology, video-cassettes and projectors.

Divisions and Subsidiaries:

MICROIMAGERY GROUP

Administrative Offices
6800 McCormick Road
Chicago, IL 60645-2797
(312) 675-7600

COM Products Division
16691 Hale Avenue
Irvine, CA 92714-5047
(714) 660-1050
COM equipment, processors, duplicators and consumable supplies.

Micro Design Division
857 West State Street
Hartford, WI 53027-1063
(414) 673-3920
Micrographic readers and reader/printers; also distributes related supplies and accessories.

Microfilm Products Division
6800 McCormick Road
Chicago, IL 60645-2797
(312) 675-7600
Instant imaging microfilm systems, microfilm recorders with microprocessor logic, Microx systems, data search microfilm and retrieval systems, jacket filing systems, micromanagement, microfilm and microfiche readers and reader/printers, microfilm cameras, customer service.

Publication Systems Division
Old Mansfield Road
Wooster, OH 44691-9050
(216) 264-6666
Microfilm and microfiche systems for industry and education. Micro publisher of information products including newspapers, periodicals, indexes, directories, career guidance. Production facilities also in New Jersey and Puerto Rico.

Enbee Transparent Specialty Co.
31-35 31st Street
Astoria, New York 11106
(212) 672-9000
Photo album inserts.

NB Jackets de Puerto Rico
Road #1 K.M. 33.5
P.O. Box 1151
Caguas, Puerto Rico 00625
(809) 744-9397
Microfilm jackets.

BUSINESS EQUIPMENT GROUP

Administrative Offices
6800 McCormick Road
Chicago, IL 60645-2797
(312) 675-7600

Business Data Products Division
Administrative & Sales Office
2720 Des Plaines Ave., Suite 106
Des Plaines, IL 60018-4135
(312) 297-1225

Operations & Service
5000 Rivergrade Road
P.O. Box 9100
Baldwin Park, Calif. 91706-0991
(818) 814-2355
Remittance processing systems.

DocuMail Systems Division
Administration & Operations
6800 McCormick Road
Chicago, IL 60645-2793
(312) 539-7300

U.S.P.S. Engineering & Service
9801 Industrial Blvd.
Lenexa, Kansas 66215-1293
(913) 888-8775
Sorters for the U.S. Postal Service; sorters & letter openers (commercial).

Phillipsburg Division
Administration, Sales & Service
2300 Brummel Place
Evanston, IL 60202-3612
(312) 475-6100

Operations:

P.O. Box 7950
795 Roble Road
Lehigh Valley, PA 18001-7958

2300 Brummel Place
Evanston, IL 60202-3612
(312) 475-6100

Mailmobile Sales & Service
411 E. Roosevelt Street
Zeeland, MI 49464-9719
(616) 772-1000
Mail addressing, inserting, labeling, weighing equipment; sorters & letter openers (commercial) and Mailmobile unmanned delivery vehicles.

VISUAL COMMUNICATIONS GROUP

Administration & Operations
6800 McCormick Road
Chicago, IL 60645-2793
(312) 673-3300
Audiovisual Products--audio tape recorders, RingMaster slide/sound projectors, overhead projectors. Language Master systems and software, 16mm projectors. Micro-Visual Products--microcomputer systems and software for computer-aided instruction, training and education.

MERRILL PUBLISHING DIVISION

Administrative Offices & Publishing Center
936 Eastwind Drive
Westerville, Ohio 43081-3329
(614) 890-1111

Fulfillment Center
1300 Alum Creek Drive
Columbus, Ohio 43216-0508
(614) 258-8441

West Coast Fulfillment Office
833 N. Market Boulevard
Sacramento, California 95834-1205
(916) 924-3227/3228
Publisher of elementary, high school and college textbooks and educational test materials.

DeVRY INC.

Administrative Offices
2201 W. Howard Street
Evanston, IL 60202-3698
(312) 328-8100
Resident training in electronics engineering technology and computer science for business.

BELL & HOWELL/COLUMBIA PARAMOUNT PICTURES VIDEO SERVICES (40% owned)

Administrative Offices
625 Landwehr Road
Northbrook, IL 60062-2373
(312) 480-6900

Editel
301 E. Erie St.
Chicago, IL 60611
(312) 440-2360

222 E. 44th Street
New York, NY 10017
(212) 867-4600

729 N. Highland Ave.
Hollywood, CA 90038
(213) 931-1821
Video post production.

Tandy/Bell & Howell Home Video (T/B&H)
3055 MacArthur Boulevard
Northbrook, IL 60062-2373
(312) 272-3944
Video cassettes.

Video Systems Division
720 Landwehr Road
Northbrook, IL 60062-2373
(312) 291-1150
Video duplication.

Video Systems Division
West Duplicating
354 Coral Circle
El Segundo, CA 90245-4678
(213) 640-3430
Video duplication.

EUROPEAN REGION

Bell & Howell Ltd.
European Region Headquarters
AV/Video Division Administration
Alperton House
Bridgewater Road
Wembley, Middlesex HAO 1EG, England
(London) 902-8812
AV/Video.

Bell & Howell Ltd.
Business Equipment Division
33-35 Woodthorpe Road
Ashford, Middlesex TW15 2RJ England
(Ashford) 51234
Microimagery and business equipment (BED).

Bell & Howell AB
Grensveien 73
Oslo 6, Norway
(Stockholm) 98 1250
AV/Video.

Bell & Howell AB
Vintergaten 1
S-17230 Sundyberg, Sweden
(Stockholm) 98 1250
AV/Video.

Bell & Howell Benelux S.A.
321, Leuvensesteenweg
B-1940 St. Stevens
Woluwe/Zaventem, Belgium
(Brussels) 720 92 75 (BED, AV/Video)
(Brussels) 720 92 78 (NB Jackets)

Bell & Howell France, SA
32-34 Rue Fernand-Pelloutier
92112 Clichy Cedex, France
(Paris) 270 9480
AV/Video, BED.

Bell & Howell GmbH
Gruener Weg 8
D-6360 Friedberg/Hessen
West Germany
(Friedberg) 496-031-871
Phillipsburg systems and electronic devices.

Bell & Howell Italia SpA
Via Barnaba Oriani, 22/4
20156 Milan, Italy
011-39-2-30-10-141 or 2-30-6-841
AV/Video.

Bell & Howell Ltd. England, Dansk Filial
Oliefabriksveg 29.43

DK-2770 Kastrup, Denmark
(Copenhagen) 523355
AV/Video.

Bell & Howell Mfg. S.A.

Clonshaugh, Dublin 17, Eire, Ireland
(Dublin) 472-675
Microfilm readers, overhead projectors.

Bell & Howell Micromedia Division
Telford Road, Launton Industrial Estate
Bicester, Oxon OX6 OUP
(Bicester) 45711, England
Micropublishing products.

Inter Electronics BV
Nijverheidsstraat 22,
6987 ZG GIESBEEK, Holland
011-31-8336-1841
AV/Video.

Pretec Precisie Techniek BV
Kuyperlaan 28
Postbus 53
1160 AB Zwanenburg,
Netherlands
(Zwanenburg) 3652
Mail handling products, microimagery.

Video Zoom Italia SpA
Via Columella 22
20128 Milan, Italy
(Milan) 257 9419
Video tape duplication, post production.

WESTERN INTERNATIONAL GROUP

Administrative Offices
6800 McCormick Road
Chicago, Illinois 60645-2793
(312) 673-3300

AUSTRALIA
Bell & Howell Australia, Pty., Ltd.
9 Short Street
Chatswood, NSW
Australia 2067
011-612-660-5366
Audiovisual (AV), Business Equipment (BEG), and Microimagery (MIG).

CANADA
Bell & Howell Ltd.
230 Barmac Drive
Weston, Ontario, Canada M9L 2X5
(416) 746-2200
AV, Merrill Publishing, MIG, BEG.

LATIN AMERICA AND ASIA PACIFIC
Administration
6800 McCormick Road
Chicago, IL 60645-2973
AV, MIG, BEG.

Bell & Howell Company - Japan
11-28 Akasaka
8F Andoh Fukuyoshi Bldg.
1-Chome, Minato-ku
Tokyo 107, Japan
011-813-582-4691
AV, MIG, BEG.

Bell & Howell Systemas, Ltda.
Rua Augusta 1141 Centro
Sao Paulo, S.P., Brazil
011-5511-231-0200
MIG.

Acquisition(s):

University Microfilms International
Ann Arbor, Michigan
Engaged in the republishing of reading materials in microfilm, xenographic and on-line formats.

Bekins Records Management Companies
Los Angeles, California
Engaged in the off-site storage, retrieval and management of documents for professional, corporate, financial, and health care organizations.

Image Processing Systems Division
of S.T.C. Canada, Inc.
Electronic imaging software and systems.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
Stock Transfer Department
30 West Broadway
New York, N.Y. 10015

Stock Exchange(s)*: New York, Midwest, Pacific.

* Listed and/or traded.

Ticker Symbol: BHW

Number of Employees:

1985	11,000	1982	11,235
1984	10,349	1981	11,244
1983	9,508		

Sales and Earnings

	Net Sales +	Net Income †
1985	$ 759,832,000	$ 32,186,000
1984	713,548,000	33,047,000
1983	679,248,000	41,191,000
1982	611,805,000	(2,930,000)
1981	578,376,000	21,627,000

	No. of Com. Shares ×	Earn. per Share ‡†
1985	10,520,000	$ 3.06
1984	10,871,000	3.04
1983	12,593,910	3.59
1982	11,281,032	—
1981	11,242,008	1.92

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $7,215,000 ($0.63 per share) in 1983 and $3,735,000 ($0.33 per share) in 1981.
× Adjusted to reflect stock split.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Career education	$ 135,500	$ 130,900
Publishing	118,000	103,200
Visual comm. systems	108,300	115,700
Information storage retrieval	236,800	214,600
Document/mail processing	161,200	149,100
Total	$ 759,800	$ 713,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.575	—	—
1984	0.515	—	—
1983	0.49	—	2-for-1
1982	0.48	—	—
1981	0.48	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$207,461,000#	$ 19.72
1984	163,113,000#	15.00
1983	135,055,575#	10.72
1982	171,739,000‡	15.22
1981	185,347,000‡	16.40

# After allowing for preferred stock at redemption value of $15 per share.
‡ After allowing for preferred stock at liquidation value of $60 per share.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales	$ 759,832	$ 713,548
Other income	24,445	17,644
Total income	$ 784,277	$ 731,192
Cost of sales	490,092	454,371
Expenses	231,981	218,029
Interest expense	14,567	12,125
Unusual items	(174)	—
Income before taxes	$ 47,811	$ 46,667
Income taxes	14,194	12,189
Minority interest	1,431	1,431
Net Income	$ 32,186	$ 33,047

* Included in Costs and Expenses, Depreciation: $16,839,000 in 1985 and $13,198,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash	$ 77,567	$ 78,977
Accts. receiv., net	120,945	128,124
*Inventories	138,540	111,561
Prepaid expenses	5,609	3,838
Prepaid taxes	27,690	18,780
Current Assets	$ 370,351	$ 341,280
#Fixed assets	208,782	107,076
Investments & other assets	89,799	49,238
Total Assets	$ 668,932	$ 497,594

Liabilities
(000's)

Notes payable	$ 14,676	$ 9,194
Long-term debt, curr.	1,199	3,388
Accts. payable	50,532	42,338
Accruals	94,878	58,890
Deferred income	76,109	51,370
Income taxes	11,624	6,162
Curr. Liabilities	$ 249,018	$ 171,342
Long-term debt	145,873	89,431
Deferred compens.	13,542	10,927
Deferred inc. taxes	13,326	11,625
Minority interests	10,252	8,691
+ Preferred stock	1,881	2,763
+ + Common stock	16,976	15,648
Add. paid-in capital	16,965	16,141
Retained earnings	217,912	191,978
Cum. trans. adjust.	(16,813)	(20,952)
Total Liabilities & Shareholders' Equity	$ 668,932	$ 497,594

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.60 cumulative convertible.
+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.29	6.54
%Net Income to Sales	4.24	4.63
%Net Income to Equity	13.59	16.08
Sales to Inventories	5.48	6.40
Debt to Equity	0.68	0.45
Working Capital	$121,333,000	$169,938,000
Current Ratio	1.49	1.99
Shareholders' Equity	$236,921,000	$205,578,000

Bell Industries, Inc.

11812 San Vicente Boulevard, Suite 300
Los Angeles, California 90049
(213) 826-6778

Officers: Theodore Williams, chairman of the board & president; Howard B. Franklin, Samuel Essick, sr. v.p.'s; Nathan Landgarten, sr. v.p. & treasurer; Bruce M. Jaffe, sr. v.p.-finance & secretary; Vernon D. Severy, Paul F. Doucette, D.J. Hough, v.p.'s; Dennis M. Benson, controller & asst. treasurer; Dennis J. Hoertt, asst. v.p.

Directors: T.E. Williams*, chairman; Howard B. Franklin*, Bruce M. Jaffe*, Nathan Landgarten*, John J. Cost, Ellis Ring, Milton Rosenberg.

*Member of the Executive Committee.

Areas of Work: Company activities may be classified into the following groups: The Electronics Group is a major distributor of electronic components representing 50 leading electronics manufacturers. The Electronics Group also manufactures computer memory discs and other high precision, close tolerance products for the computer and aerospace industries including basic illumination for aircraft instrumentation, aircraft hydraulic valve sub-assemblies, multi-layered printed circuitry used in space flight and avionic guidance systems, computer hardware components, and electronic components used in communications and other computer applications. The other three operating groups include: The Building Products Group, which is engaged in the distribution of heating, air conditioning, plumbing and solar energy products through nine California facilities; The Motor Vehicle Parts & Accessories Group which stocks spare parts and accessories for motorcycles, recreational vehicles, and mobile homes; and The Graphic Arts Group which distributes film, chemicals and printing equipment in California.

Divisions:

Electronic Distribution Group
1161 N. Fairoaks
Sunnyvale, California 94089
(408) 734-8570

Electronic Distributor Divisions
515 Busse Road
Unit D-1
Elk Grove Village, Illinois 60007
(312) 640-1910

1900 132nd N.E.
Bellevue, Washington 98005
(206) 747-1515

1705 West 4th Street
Tempe, Arizona 85281
(602) 966-7800

8155 West 48th Avenue
Wheatridge, Colorado 80033
(303) 424-1985

3639 West 2150 South
Salt Lake City, Utah 84120
(801) 972-6969

306 East Alondra Boulevard
Gardena, California 90247
(213) 515-1800

11728 Linn N.E.
Albuquerque, New Mexico 87123
(505) 292-2700

12322 Monarch Street
Garden Grove, California 92641
(714) 895-7801

500 Giuseppe Court #7
Roseville, California 95678
(916) 969-3100

1829A De Havilland Drive
Thousand Oaks, California 91320
(805) 499-6821

2599 Garcia Avenue
Mountain View, California 94043
(415) 960-1440

W. 227 N. 913 West Mound Drive
Waukesha, Wisconsin 53186
(414) 547-8879

6024 Southwest Jean Road
Lake Oswego, Oregon 97034
(503) 241-4115

118 Westpark Road
Dayton, Ohio 45459
(513) 434-8231

444 Windsor Park Drive
Dayton, Ohio 45459
(513) 435-8660

133 South Pennsylvania Avenue
Indianapolis, Indiana 46204
(317) 634-8202

3433 East Washington Avenue
Fort Wayne, Indiana 46801
(219) 423-3422

Electronic Manufacturing Group

Illuminated Displays Division
18225 N.E. 76th Avenue
Redmond, Washington 98052
(206) 885-4353

Technical Products Division
3590 W. Third Avenue
Eugene, Oregon 97402
(503) 683-2355

Computer Memory Division
2360 Zanker Road
San Jose, California 95131
(408) 262-5747

Precision Components Division
12605 South Van Ness Avenue
Hawthorne, California 90250
(213) 757-8381

Precision Metalcrafts Divison
2637 Marine Way
Mountain View, California 94040
(415) 961-5532

J.W. Miller Division
19070 Reyes Avenue
Rancho Dominguez, California 90221
(213) 537-5200

Electronics Systems Division
1831 South Ritchey Street
Santa Ana, California 92705

Graphics Arts Group

Graphic Arts Supply Division
4425 Sheila Street
Commerce, California 90023
(213) 268-9500

Graphic Arts Supply Division
615 Dado Street
San Jose, California 95131
(408) 946-5100

RV/MH Group

RV/MH Supplies Division
500 Hardman Ave.
South St. Paul, Minnesota 55075
(612) 450-9020

RV/MH Supplies Division
12775 W. Silver Spring Road
Butler, Wisconsin 53007
(414) 781-1860

Building Products Group

Plumbing Suply Division
7 College Avenue
Santa Rosa, California 95401
(707) 545-7101

Reliable Steel Supply Division
740 E. 111th Place
Los Angeles, California 90059
(213) 777-3111

Reliable Heating & Air-Conditioning Division
9707 Aero Drive
San Diego, California 92123
(619) 279-9750

Desert Service Division
1375 East Base Line
San Bernardino, California 92410
(714) 884-3103

Transfer Agent(s):

Union Bank
Corporate Trust Department, 11th Floor
3810 Wilshire Boulevard
Los Angeles, California 90010

Union Bank
140 Cedar Street
New York, New York 10006

Stock Exchange(s): New York, Pacific

Ticker Symbol: BI

Number of Employees:

1985	1,800	1982	1,700
1984	2,300	1981	1,600
1983	2,000		

Plant Footage:

1985	N.A.	1984	1,174,000 sq. ft.

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 304,134,000	$ 6,747,000
1984	312,036,000	11,250,000
1983	224,134,000	6,810,000
1982	204,856,000	7,645,000
1981	191,034,000	7,290,000

	No. of Com. Shares #	Earn. per Share #
1985	5,364,000	$ 1.26
1984	5,099,000	2.21
1983	4,548,000	1.50
1982	4,495,000	1.70
1981	4,408,000	1.65

# Based on the average number of shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Electronics	$ 190,201	$ 204,427
Transportation products	20,594	24,217
Residential products	58,523	49,902
Graphic arts	34,816	33,490
Total	$ 304,134	$ 312,036

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.32	—	—
1984	0.32	—	—
1983	0.24	—	—
1982	0.24	—	—
1981	0.24	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 102,599,000	$ 19.30
1984	96,939,000	18.33
1983	63,515,000	14.13
1982	56,916,000	12.84
1981	49,538,000	11.33

† Based on the average number of shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 304,134	$ 312,036
Cost of sales	227,465	228,378
Expenses	62,656	59,806
Interest expense	1,290	1,671
Income before taxes	$ 12,723	$ 22,181
Income taxes	5,976	10,931
Net Income	$ 6,747	$ 11,250

* Included in Costs and Expenses, Depreciation and Amortization: $4,146,000 in 1985 and $3,545,000 in 1984.

Bell Industries, Inc.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 6,516	$ 4,251
Short-term invest.	—	3,000
Accts. receiv., net	39,012	43,725
*Inventories	70,458	67,799
Prepaid expenses	735	547
Current Assets	$ 116,721	$ 119,322
#Fixed assets	22,454	19,552
Other assets	6,809	7,276
Total Assets	$ 145,984	$ 146,150

Liabilities
(000's)

	1985	1984
Accts. payable	$ 17,692	$ 22,145
Accruals	7,444	7,065
Dividends payable	425	423
Long-term liab., curr.	1,032	1,032
Income taxes	1,045	2,434
Curr. Liabilities	$ 27,638	$ 33,099
Notes, mortg., deben.	11,225	11,728
Deferred comp.	4,149	3,948
Deferred inc. taxes	373	436
+Common stock	1,329	1,322
Add. paid-in capital	29,456	28,854
Retained earnings	71,814	66,763
Total Liabilities & Shareholders' Equity	$ 145,984	$ 146,150

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	4.12	7.11
%Net Income to Sales	2.24	3.61
%Net Income to Equity	6.64	11.61
Sales to Inventories	4.32	4.60
Debt to Equity	0.01	0.01
Working Capital	$ 89,083,000	$86,223,000
Current Ratio	4.22	3.61
Shareholders' Equity	$102,599,000	$96,939,000

Bio-Rad Laboratories, Inc.

2200 Wright Avenue
Richmond, California 94804
(415) 234-4130

Officers: David Schwartz, president; James Bennett, v.p.-Diagnostics Group; Burton A. Zabin, v.p.-Research Products Group; Peter V. Leigh, controller; Gregory K. Hinckley v.p.-finance; Warren R. Howell, v.p.-Analytical Instruments Group; Guy Gerard, v.p.-European Operations; Norman Schwartz, treasurer.

Directors: James J. Bennett, Howard Foster, Albert J. Hillman, Philip L. Padou, Alice N. Schwartz, David Schwartz, Burton A. Zabin.

Areas of Work: Engaged in the development, manufacture and marketing of products used for the analysis of complex chemical mixtures into their individual components and to provide qualitative and quantitative information on each component. Products are used in a broad range of applications including research, manufacturing process and quality control and in the clinical and medical diagnosis of organic and metabolic disturbances in humans. The company also publishes spectral reference data used in research and industry.

Divisions and Subsidiaries:

Research Products Division
Richmond, California

Clinical Division
Richmond, California

Digilab Division
Cambridge, Massachusetts

Environmental Chemical Specialties Division
Anaheim, California

Sadtler Research Laboratories Division
Philadelphia, Pennsylvania

Ophthalmic Division
Cambridge, Massachusetts

Bio-Rad Laboratories, Ges.m.b.H.
Vienna, Austria

Bio-Rad Laboratories
Brussels, Belgium

Bio-Rad Laboratories (Canada) Ltd.
Mississauga, Canada

Bio-Rad Laboratories Ltd.
Polaron Equipment Limited
Watford, England

Bio-Rad Laboratories B.V.
Utrecht, The Netherlands

Bio-Rad Laboratories S.R.L.
Milan, Italy

Bio-Rad Laboratories AG
Zurich, Switzerland

Bio-Rad Laboratories GmbH
Munich, West Germany

Bio-Rad Laboratories Pty., Limited
Sydney, Australia

Elfiplast S.R.L.
Milan, Italy

Nippon Bio-Rad Laboratories (Japan) K.K.
Tokyo, Japan

Bio-Rad Pacific
Hong Kong

Orimbio S.A.
Paris, France

Transfer Agent(s):
Crocker National Bank
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): American

Ticker Symbol: Class A common stock: BIO A; Class B common stock: BIO B

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 102,329	$ 4,252
1984	84,638	1,800
1983	65,869	58
1982	53,190	1,162
1981	50,341	2.01

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,343,000	$ 0.98
1984	4,289,000	0.42
1983	4,266,000	0.01
1982	4,245,000	0.27
1981	4,302,000	0.47

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1985	1984
Research products	$ 43,785,000	$ 34,991,000
Diagnostic products	24,686,000	21,203,000
Analytical instrumentation	33,858,000	28,444,000
Total	$ 102,329,000	$ 84,638,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	50%	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 29,856,000	$ 6.87
1984	18,922,000	4.41
1983	17,068,000	4.00
1982	16,881,000	3.98
1981	15,397,000	3.58

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 102,329,000	$ 84,638,000
Cost of sales	47,542,000	40,777,000
Expenses	45,976,000	40,228,000
Interest expense	3,228,000	3,987,000
Invest. loss (inc.)	(224,000)	27,000
Gain on property condemn.	—	(3,401,000)
Litigation award	—	(2,604,000)
Gain on sale	—	(1,877,000)
Reserve for invest.	—	(4,188,000)
Settlement of ins. claim	(504,000)	—
Loss on disposal of eng. div.	242,000	—
Other expense	96,000	393,000
Income before taxes	$ 5,973,000	$ 2,920,000
Income taxes	1,721,000	1,120,000
Net Income	$ 4,252,000	$ 1,800,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,972,000 in 1985 and $2,002,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 6,007,000	$ 878,000
Accts. receiv., net	23,075,000	18,779,000
*Inventories	21,286,000	19,347,000
Other assets	3,500,000	10,082,000
Current Assets	$ 53,868,000	$ 49,086,000
#Fixed assets	13,785,000	11,763,000
Market securities	2,295,000	2,571,000
Other assets	1,579,000	2,994,000
Total Assets	$ 71,527,000	$ 66,414,000

Liabilities

	1985	1984
Notes payable & long-term debt. curr.	$ 8,612,000	$ 6,994,000
Accts. payable	5,409,000	4,620,000
Accrued inc. taxes	971,000	602,000
Other liabilities	8,887,000	7,204,000
Curr. Liabilities	$ 23,879,000	$ 19,420,000
Long-term debt	16,297,000	26,959,000
Deferred inc. taxes	1,495,000	1,113,000
+Common stock	4,754,000	4,300,000
Add. paid-in capital	9,118,000	3,091,000
Retained earnings	15,984,000	11,531,000
Total Liabilities & Shareholders' Equity	$ 71,527,000	$ 66,414,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	5.84	3.45
%Net Income to Sales	4.16	2.13
%Net Income to Equity	14.24	9.51

Sales to Inventories	4.81	4.37
Debt to Equity	0.55	1.79
Working Capital	$29,989,000	$29,666,000
Current Ratio	2.26	2.53
Shareholders' Equity	$29,856,000	$18,922,000

The Birtcher Corporation

4501 North Arden Drive
El Monte, California 91731
(818) 575-8144

Officers: Ernest V. Jarvis, chairman of the board; William J. Fisher, president & managing director; Philip R.A. Hardaker, v.p.-international sales; George W. Koenig, v.p.-finance, secretary & treasurer; Herbert Cover, v.p.-marketing & sales; Ali Abdelghani, tech. director-enginering; Ernest V. Jarvis, Jr., director-manufacturing operations.

Directors: Ernest V. Jarvis, chairman; William J. Fisher, Arthur C. Beall, Jr., Hymen P. Chalmers, Alfred C. Ingersoll, Hyrum T. Jarvis, John P. Preston, Francis J. Kelly, Jr., Arthur Wirth.

Areas of Work: Develops and manufactures medical electronic instruments and electronic hardware.

Subsidiaries:

General X-Ray Corporation
Manufactures portable X-ray equipment.

Birtcher Overseas Corporation

Transfer Agent(s):

Bank of America
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BIRT (NASDAQ)

Number of Employees:

1985	133	1984	157

Plant Footage:

1985	63,000 sq. ft.

Sales and Earnings

	Revenues +	Net Income ‡
1985	$ 7,904,000	$ (3,718,941)
1984	10,270,000	3,413,980
1983	7,104,000	(761,523)
1982	6,643,000	(273,821)
1981	5,562,000	572,636

	No. of Com. Shares	Earn. per Share ‡#
1985	2,019,514	$ —
1984	2,049,853	1.65
1983	2,049,253	—
1982	2,056,187	—
1981	2,053,921	0.28

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $380,000 ($0.19 per share) in 1984.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,745,076	$ 1.36
1984	6,590,539	3.22
1983	3,173,747	1.55
1982	3,969,125	1.93
1981	4,203,990	2.05

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 3,492,597	$ 7,137,289
Cost of sales	4,012,306	4,597,752
Expenses	2,385,134	3,998,414
Interest expense	90,098	183,868
Loss on subsid.	924,000	—
Loss before taxes	$ (3,918,941)	$ (1,642,745)
Tax credit	(200,000)	(780,000)
Loss - cont. oper.	$ (3,718,941)	$ (862,745)
Inc. - discont. oper.	—	3,896,725
Net Income (Loss)	$ (3,718,941)	$ 3,033,980
Extraord. gain	—	380,000
Net Income (Loss) & extraord. gain	$ (3,718,941)	$ 3,413,980

* Included in Costs and Expenses, Depreciation and Amortization: $72,523 in 1985 and $137,917 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 312,817	$ 392,081
Marketable securities	2,411,197	3,745,917
Accts. receiv., net	1,222,329	1,228,687
Refundable inc. taxes	337,306	732,469
*Inventories	3,235,183	3,354,269
Prepaid expenses	66,930	131,108
Prepaid taxes	—	276,194
Current Assets	$ 7,585,762	$ 9,860,725
#Fixed assets	317,799	369,484
Other assets	—	39,433
Total Assets	$ 7,903,561	$ 10,269,642

Liabilities

Notes payable	$ 2,151,000	$ 300,000
Long-term debt, curr.	10,066	9,388
Loss on subsidiary	924,000	—
Accts. payable	1,375,936	1,101,136
Accrued payroll	289,454	319,720
Other liabilities	329,620	260,177
Inc. taxes payable	—	1,605,000
Curr. Liabilities	$ 5,080,076	$ 3,595,421
Long-term debt	78,409	83,682
+Capital stock	2,019,514	2,049,853
Add. paid-in capital	1,441,583	1,441,583
Retained earnings (deficit)	(716,021)	3,099,103
Total Liabilities & Shareholders' Equity	$ 7,903,561	$ 10,269,642

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Debt to Equity	0.82	0.06
%Net Income to Equity	—	46.04
Working Capital	$2,505,686	$6,265,304
Current Ratio	1.49	2.74
Shareholders' Equity	$2,745,076	$6,590,539

Bishop Graphics, Inc.

5388 Sterling Center Drive
P.O. Box 5007
Westlake Village, California 91359
(818) 991-2600

Officers: Martin J. Salvin, chairman of the board & president; Robert Meisterling, v.p.-marketing communications; Neil C. Shaw, v.p.-sales; Gordon L. Almquist, v.p.-finance & treasurer; Rubin M. Turner, secretary; Jean M. Smith, asst. secretary.

Directors: Martin J. Salvin, chairman; Morton Kay, David J. Cohen, Richard Drysdale, Lewis B. Merrifield, III.

Areas of Work: Manufactures and markets pressure-sensitive electronic component drafting aids and other precision-printed and/or specially-processed products and allied services for the various engineering and graphics disciplines. Also operates three retail outlets in California which sell drafting equipment.

Divisions and Subsidiaries:

Accupress
San Fernando, California
(213) 873-2655

Bishop DISC
Westlake Village, California

Bishop Graphics Drafting & Art Supply Centers
4040 Campus Drive
Newport Beach, California 92660

10645 Vanowen Street
Canoga Park, California

835 Stewart Drive
Sunnyvale, California 94086

Printed Circuit Design Products Division
Westlake Village, California
(818) 991-2600

CAD Systems Corp.
Westlake Village, California
(818) 991-2600
A full computer-aided design service bureau.

BGI Leasing Company
Westlake Village, California
(818) 707-2502

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BGPH (NASDAQ)

Number of Employees:

1985	N.A.	1982	163
1984	170	1981	207
1983	175		

Plant Footage:

1985	N.A.	1982	96,700
1984	96,700 sq. ft.	1981	96,700
1983	96,700		

N.A. - Not Available.

Sales and Earnings

	Net Sales †	Net Income
1985	$ 13,400,000	$ 492,000
1984	14,668,000	1,072,000
1983	12,273,000	914,000
1982	11,020,000	189,000
1981	10,175,000	346,000

	No. of Com. Shares +	Earn. per Share +
1985	2,312,000	$ 0.21
1984	2,314,000	0.46
1983	2,224,000	0.41
1982	1,989,000	0.24
1981	2,128,000	0.22

† Of continuing operations only.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	—
1984	—	—	—
1983	—	10%	3-for-2
1982	—	—	—
1981	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 6,255,000	$ 2.71
1984	5,575,000	2.41
1983	4,119,000	1.85

+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Bishop Graphics, Inc.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 13,400,000	$ 14,668,000
Cost of sales	6,666,000	6,866,000
Expenses	6,023,000	5,935,000
Interest income	(33,000)	(6,000)
Income before taxes	$ 744,000	$ 1,873,000
Income taxes	252,000	801,000
Net Income	$ 492,000	$ 1,072,000

* Included in Costs and Expenses, Depreciation and Amortization: $394,000 in 1985 and $573,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 1,343,000	$ 802,000
Acct. receiv., net	1,463,000	1,738,000
Lease receiv., curr.	111,000	—
*Inventories	2,761,000	2,662,000
Prepaid inc. taxes	82,000	259,000
Prepaid expenses	405,000	256,000
Current Assets	$ 6,165,000	$ 5,717,000
#Fixed assets	1,965,000	1,847,000
Other assets	324,000	279,000
Total Assets	$ 8,454,000	$ 7,843,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 10,000	$ 9,000
Accts. payable	659,000	624,000
Accruals	67,000	79,000
Accrued payroll	263,000	217,000
Emp. benefit plan	55,000	72,000
Def. inc. taxes	404,000	463,000
Non-competition agree.	46,000	46,000
Curr. Liabilities	$ 1,504,000	$ 1,510,000
Long-term debt	557,000	566,000
Non-competition agree.	90,000	138,000
Deferred inc. taxes	48,000	54,000
+ Common stock	15,000	14,000
Add. paid-in capital	4,054,000	2,577,000
Retained earnings	2,268,000	3,098,000
Notes receiv. from stock sale	(82,000)	(114,000)
Total Liabilities & Shareholders' Equity	$ 8,454,000	$ 7,843,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $.00666 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	5.55	12.77
%Net Income to Sales	3.67	7.31
%Net Income to Equity	7.87	19.23
Sales to Inventories	4.85	5.51
Debt to Equity	0.09	0.10
Working Capital	$4,661,000	$4,207,000
Current Ratio	4.10	3.79
Shareholders' Equity	$6,255,000	$5,575,000

BMC Industries, Inc.

(formerly Buckbee-Mears Company)

1100 American National Bank Building
St. Paul, Minnesota 55101
(612) 228-6310

Officers: Robert J. Carlson, chairman, president & chief exec. officer; Robert J. Bateman, v.p.; Carl A. Bergmann, v.p. & president-Optical Products; Gerald M. Bestler, v.p & president-Precision Etched Products; Merle D. Kerr, v.p.-finance, treasurer & chief financial officer; Kenneth W. Lewis, v.p.-human resources & administration; Michael P. Hawks, controller; Paul B. Burke, v.p., secretary & gen. counsel.

Directors: Robert J. Carlson, chairman; Carl B. Drake, Jr., Robert W. Fischer, Lyle D. Altman, Joe E. Davis, Donald J. Doughman, H.D. Elverum, Norman C. Mears, Burton N. Noah, S. Walter Richey, Charles S. Strauch, Richard A. Swalin.

Areas of Work: Manufactures and markets precision etched metal components, specialty circuits, electroformed parts, etched and filled glass products, and aperture masks--etched fine screen grids that are a component part of every color cathode ray tube; also manufactures and markets optical lenses.

Divisions and Subsidiaries:

PRECISION ETCHED PRODUCTS

Buckbee-Mears St. Paul
245 East Sixth Street
St. Paul, Minnesota 55101
(612) 228-6400

Buckbee-Mears Cortland
P.O. Box 189
Kellogg Road
Cortland, New York 13045
(607) 753-9615

Buckbee-Mears Europe GmbH
7840 Muellheim-Baden
Postfach 1162, Renkenrunsstrasse
West Germany

OPTICAL PRODUCTS

Buckbee-Mears Europe Optics
7840 Muellheim-Baden
Postfach 1162, Renkenrunsstrasse
West Germany

Vision-Ease Lens
3301 Southwest Ninth Avenue
Fort Lauderdale, Florida 33315
(305) 525-1351

Vision-Ease Lens
700 North 54th Avenue
St. Cloud, Minnesota 56301
(612) 251-8782

Transfer Agent(s):

First Trust Company, Inc.
First National Bank Building
St. Paul, Minnesota 55501

Bradford Trust Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: BMC

Number of Employees:

1985	N.A.	1982	2,520
1984	4,789	1981	1,658
1983	3,158		

Plant Footage:

1985	N.A.	1982	1,057,000
1984	1,184,000 sq. ft.	1981	479,000
1983	1,192,000		

N.A. - Not Available.

Sales and Earnings ×

	Revenues +	Net Income †
1985	$ 100,369,000	$ (69,613,000)
1984	88,682,000	2,449,000
1983	81,584,000	7,987,000
1982	70,817,000	4,477,000
1981	65,580,000	3,237,000

	No. of Com. Shares ‡	Earn. per Share ‡+
1985	5,179,000	$ —
1984	5,171,000	0.47
1983	4,697,000	1.70
1982	3,410,000	1.31
1981	3,161,000	1.02

× Restated to reflect change in accounting for inventory valuation.
+ Of continuing operations only.
† Including extraordinary gain of $2,620,000 ($0.51 per share) in 1985.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Precision etched prods.	$ 48,045	$ 42,299
Optical prods.	52,113	46,331
Other	211	52
Total	$ 100,369	$ 88,682

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.12	—	—
1984	0.46	—	—
1983	0.40	—	—
1982	0.39	—	—
1981	0.36	—	—

Common Stock Equity ‡

	Total Equity	Equity Per Share
1985	$ 9,438,000	$ 1.82
1984	78,455,000	15.15
1983	78,757,000	15.31
1982	54,538,000	12.60
1981	35,839,000	11.19

‡ Restated.

Income Account *
(000's)

Year ended Dec. 31	1985	1984 ‡
Net sales	$ 98,781	$ 87,726
Other income	1,588	956
Total income	$ 100,369	$ 88,682
Cost of sales	75,432	66,538
Expenses	11,955	11,238
Interest expense	11,716	7,521
Prov. for (reversal of) plant move	(1,524)	1,700
Other expenses (income)	926	(262)
Income before taxes	$ 1,864	$ 1,947
Income taxes	1,928	380
Inc. (loss)-cont. oper.	$ (64)	$ 1,567
Inc.(loss)-discont. oper.	(72,169)	882
Net Income (Loss)	$ (72,233)	$ 2,449
Extraordinary gain	2,620	—
Net Income (Loss) & extraord. gain	$ (69,613)	$ 2,449

* Included in Costs and Expenses, Depreciation: $3,017,000 in 1985 and $3,004,000 in 1984.
‡ Restated.

Assets
(000's)

As of Dec. 31	1985	1984 ‡
Cash & cash equiv.	$ 18,856	$ 2,620
Accts. receiv., net	14,364	13,607
*Inventories	26,446	20,895
Notes receiv. & other curr. assets	7,417	2,994
Assets of discont. oper.	7,127	61,284
Current Assets	$ 74,210	$ 101,400
#Fixed assets	20,272	18,606
Other assets	9,215	7,757
Assets of discont. oper.	29,539	60,278
Total Assets	$ 133,236	$ 188,041

Liabilities
(000's)

Short-term borr.	$ 240	$ 6,300
Long-term debt, curr.	100,253	132
Accts. payable	7,660	5,018
Accrued payroll	1,285	1,205
Accrued pension	1,084	1,067
Accrued interest	4,094	2,646
Income taxes pay.	1,959	1,348
Other accruals	4,507	3,799
Curr. Liabilities	$ 121,082	$ 21,515
Long-term debt	264	82,968
Other liabilities	1,711	2,996
Deferred credit	741	2,107
+Common stock	38,862	38,815
Retained earnings (deficit)	(28,731)	41,503
Translation adjust.	(693)	(1,863)
Total Liabilities & Shareholders' Equity	$ 133,236	$ 188,041

‡ Restated.
* At lower of average cost or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	—	3.12
Sales to Inventories	3.74	4.20
Debt to Equity	!0.68	1.14
Working Capital	—	$79,885,000
Current Ratio	—	4.71
Shareholders' Equity	$9,438,000	$78,455,000

The Boeing Company

P.O. Box 3707
7755 East Marginal Way South
Seattle, Washington 98108
(206) 655-2121

Officers: T.A. Wilson, chairman of the board & chief executive officer; Frank Shrontz, president; M.T. Stamper, vice chairman; H.W. Haynes, exec. v.p. & chief financial officer; D.P. Beighle, v.p.-contracts, general counsel & secretary; L.D. Alford, K.F. Holtby, W.M. Maulden, R.W. Tharrington, sr. v.p.'s; R.B. Brown, D.J. Crispin, H.C. Munson, J.M. Swihart, R.E. Bateman, D.D. Cruze, S.M. Little, B. Mishel, v.p.'s; A.H. Lowell, v.p. & controller; J.B.L. Pierce, treasurer; R.L. Dryden, president-Boeing Computer Services Co.; A.M.S. Goo, president-Boeing Military Airplane Co.; H.K. Hebeler, president-Boeing Electronics Co.; J. Mallen, president-Boeing Vertol Co.; D.D. Thornton sr. v.p., president-Boeing Commercial Airplane Co.; M.K. Miller, president - Boeing Aerospace Co.; F.G. Coffey, J.H. Morrison, staff v.p.'s.

Directors: T.A. Wilson, chairman; H.W. Haynes, Charles M. Pigott, D.E. Skinner, M.T. Stamper, George H. Weyerhaeuser, Robert A. Beck, Lee L. Morgan, David Packard, Stanley Hiller, Jr., Irving S. Shapiro, George M. Keller, H.J. Haynes, Frank A. Shrontz.

Areas of Work: The company is involved in missile and space-oriented activities as well as the manufacture of military and commercial helicopters and aircraft, hydrofoil craft, products and services in the energy and environment areas, computer products and services, associated products.

Divisions and Subsidiaries:

Boeing Aerospace Company
Kent, Washington

Boeing Commercial Airplane Company
Renton, Washington

Boeing Vertol Company
Philadelphia, Pennsylvania

Boeing Military Airplane Company
Wichita, Kansas
Seattle, Washington

Boeing Computer Services Company
Bellevue, Washington

Boeing Electronics Company
Renton, Washington

Acquisition(s):

de Havilland Aircraft of Canada, Ltd.
Toronto, Ontario, Canada
Manufactures commuter aircraft.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s)*:

New York, London, Switzerland, Amsterdam, Boston, Cincinnati, Midwest, Pacific, Philadelphia, Brussels.

* Listed and/or traded.

Ticker Symbol: BA

Number of Employees:

1985	98,700	1982	95,700
1984	86,600	1981	105,300
1983	84,600		

Plant Footage: (Inc. leased and govt. owned floor area; in million square feet)

1985	N.A.	1982	44.7
1984	44.3	1981	45.4
1983	44.9		

N.A. - Not Available.

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 13,636,000	$ 566,000
1984	10,354,000	787,000
1983	11,129,000	355,000
1982	9,035,000	292,000
1981	9,788,200	473,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	155,188,657	$ 3.75
1984	145,655,832	5.39
1983	145,219,500	2.44
1982	144,802,500	2.02
1981	144,681,939	3.27

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Transportation equipment & related services	$ 11,997,000	$ 8,560,000
Missiles/space & miscellaneous	1,219,000	1,366,000
Other industries	529,000	516,000
Corp. income	184,000	153,000
Total	$ 13,929,000	$ 10,595,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$1.04	—	3-for-2
1984	0.93	—	—
1983	0.93	—	—
1982	0.93	—	—
1981	0.93	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1985	$ 4,364,000	$ 28.12
1984	3,695,000	25.37
1983	3,038,000	20.92
1982	2,813,000	19.43
1981	2,655,200	18.35

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 13,636,000	$ 10,354,000
Other income	293,000	241,000
Total income	$ 13,929,000	$ 10,595,000
Cost of sales & exp.	13,053,000	9,998,000
Interest & debt exp.	13,000	28,000
Income before taxes	$ 863,000	$ 569,000
Income taxes	297,000	179,000
Adjustment of tax provisions on disc. earnings	—	(397,000)
Net Income	$ 566,000	$ 787,000

* Included in Costs and Expenses. Depreciation: $386,000,000 in 1985 and $365,000,000 in 1984.

Assets
(000's)

As of Dec. 31.	1985	1984
Cash & cert. of deposit	$ 3,160,000	$ 1,067,000
Short-term investments	49,000	528,000
Accts. receiv., net	822,000	639,000
Long-term customer financing, curr.	63,000	138,000
Inventories	2,672,000	3,798,000
Current Assets	$ 6,766,000	$ 6,170,000
Long-term customer financing	514,000	541,000
#Fixed assets	1,866,000	1,671,000
Investments & other assets	100,000	103,000
Total Assets	$ 9,246,000	$ 8,485,000

Liabilities
(000's)

Long-term debt, curr.	$ 18,000	$ 15,000
Accts. payable & accruals	2,699,000	2,528,000
Advs. & prog. billings in exc. of costs	571,000	644,000
Income taxes	1,129,000	853,000
Curr. Liabilities	$ 4,417,000	$ 4,040,000
Long-term debt	16,000	284,000
Deferred invest. credit	123,000	144,000
Deferred inc. taxes	326,000	322,000
+Common stock	1,347,000	843,000
Retained earnings	3,018,000	2,854,000
Treasury stock	(1,000)	(2,000)
Total Liabilities & Shareholders' Equity	$ 9,246,000	$ 8,485,000

# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.33	5.50
%Net Income to Sales	4.15	7.60
%Net Income to Equity	12.97	21.30
Sales to Inventories	5.10	2.73
Debt to Equity	0.01	0.08
Working Capital	$2,349,000,000	$2,130,000,000
Current Ratio	1.53	1.53
Shareholders' Equity	$4,364,000,000	$3,695,000,000

Bolt Beranek and Newman Inc.

10 Fawcett Street
Cambridge, Massachusetts 02238
(617) 491-1850

Officers: Stephen R. Levy, chairman & chief executive officer; Michael P. LaVigna, president & chief operating officer; Michael Nacey, v.p.-administration; Edward R. Santoro, v.p.; Bruce D. Glabe, sr. v.p. & chief financial officer, Ralph Goldwasser, controller; W.B. Barker, sr. v.p.; John Montjoy, gen. counsel & clerk; Daniel Sullivan, asst. v.p.

Directors: Samuel Labate, Stephen R. Levy, Roger D. Wellington, Andrew L. Nichols, Michael P. LaVigna, Howard Swearer.

Areas of Work: Hardware, software, and consulting services for wide area data communications networks; research, development, and consulting in computer and physical sciences; packaged software for laboratory research and quality control.

Subsidiaries:

BBN Laboratories, Inc.
10 Moulton Street
Cambridge, Massachusetts 02238

BBN Communications Corporation
70 Fawcett Street
Cambridge, Massachusetts 02238
(617) 497-2800

BBN Software Products Corporation
10 Fawcett Street
Cambridge, Massachusetts 02238
(617) 864-1780

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: BBN

Number of Employees:

1985	1,796	1982	1,251
1984	1,530	1981	1,295
1983	1,322		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 138,220,000	$ 8,451,000
1984	106,350,000	5,929,000
1983	85,424,000	3,292,000
1982	69,217,500	1,579,800
1981	55,072,600	939,600

	No. of Com. Shares +	Earn. per Share +
1985	8,335,714	$ 1.01
1984	7,767,788	0.76
1983	6,993,406	0.47
1982	6,479,766	0.24
1981	6,441,908	0.15

‡ Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Research, develop. & consulting	$ 55,267,000	$ 52,908,000
Computer & communications prods.	82,953,000	53,442,000
Total	$ 138,220,000	$ 106,350,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.10	—	—
1984	0.10	—	2-for-1
1983	0.097	—	3-for-2
1982	0.093	—	—
1981	0.091	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 62,446,000	$ 7.49
1984	50,971,000	6.56
1983	26,701,000	3.82
1982	23,176,600	3.58
1981	22,187,400	3.44

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 138,220,000	$ 106,350,000
Operating costs & expenses	124,379,000	96,773,000
Interest expense	673,000	596,000
Interest income	(1,622,000)	(1,035,000)
Other income	(8,000)	(113,000)
Income before taxes	$ 14,798,000	$ 10,129,000
Income taxes	6,347,000	4,200,000
Net Income	$ 8,451,000	$ 5,929,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,916,000 in 1985 and $5,173,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 1,097,000	$ 831,000
Short-term investments	19,079,000	20,584,000
Accts. receiv., net	33,722,000	22,640,000
Other curr. assets	2,277,000	2,405,000
*Inventories	8,662,000	7,286,000
Refundable inc. taxes	529,000	—
Current Assets	$ 65,366,000	$ 53,746,000
#Fixed assets	30,193,000	20,583,000
Total Assets	$ 95,559,000	$ 74,329,000

Liabilities

Accts. payable	$ 4,789,000	$ 2,327,000
Oblig. under cap. leases	1,514,000	1,107,000
Inc. taxes payable	—	730,000
Accrued salaries	2,128,000	2,298,000
Other accruals	4,870,000	3,671,000
Deferred revenues	2,246,000	1,037,000
Deferred taxes	10,952,000	8,280,000
Curr. Liabilities	$ 26,499,000	$ 19,450,000
Long-term debt	688,000	843,000
Deferred inc. taxes	2,513,000	1,252,000
Oblig. under cap. leases	3,413,000	1,813,000
+Common stock	7,809,000	7,467,000
Add. paid-in capital	22,063,000	18,604,000
Retained earnings	32,574,000	24,900,000
Total Liabilities & Shareholders' Equity	$ 95,559,000	$ 74,329,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.71	9.52
%Net Income to Sales	6.11	5.57
%Net Income to Equity	13.53	11.63
Sales to Inventories	15.96	14.60
Debt to Equity	0.09	0.07
Working Capital	$38,867,000	$34,296,000
Current Ratio	2.47	2.76
Shareholders' Equity	$62,446,000	$50,971,000

Boonton Electronics Corporation

791 Route 10
Randolph, New Jersey 07869
(201) 584-1077

Officers: Robert J. Hannon, president & chief executive officer; Scott Elkins, v.p.-marketing; G. Raymond Polen, v.p.-engineering; Joseph G. Gillespie, secretary, treasurer & v.p.-finance.

Directors: Jack Frucht, Ronald T. DeBlis, Robert J. Hannon, John M. Young, Otto H. York.

Areas of Work: Designs and manufactures electronic measuring instruments for use in the laboratory and on production lines of manufacturers of electronic components and equipment. These instruments include RF voltmeters, microwave power meters, signal generators, modulation meters, admittance bridges, and capacitance and inductance meters and bridges.

Subsidiary:

Boonton Domestic International Sales Corporation (DISC)
Randolph, New Jersey

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, NY 10038

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOON (NASDAQ)

Number of Employees:

1985	148	1983	161
1984	164	1982	160

Plant Footage:

1985	44,400 sq. ft.	1983	44,400
1984	44,400	1982	39,500

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 10,182,620	$ 296,740
1984	10,766,638	707,757
1983	11,300,933	962,588
1982	10,040,220	661,515
1981	8,367,189	237,053

	No. of Com. Shares †	Earn. per Share +
1985	1,388,831	$ 0.21
1984	1,261,420	0.51
1983	1,224,214	0.69
1982	1,171,715	0.56
1981	1,047,429	0.23

‡ Includes other income.
+ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.
† Adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	10%	—
1984	—	—	—
1983	—	—	3-for-2
1982	—	10%	—
1981	.0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 6,997,759	$ 5.04
1984	6,691,452	5.30
1983	5,970,679	4.88
1982	4,938,265	4.21
1981	4,242,909	4.05

# Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 10,182,620	$ 10,766,638
Cost of sales	5,089,229	5,283,334
Expenses	4,551,467	4,065,501
Oper. profit	$ 541,924	$ 1,417,803
Other charges	254,251	240,834
Other income	(10,963)	(5,429)
Income before taxes	$ 298,636	$ 1,182,398
Income taxes	87,132	474,641
Net Income	$ 211,504	$ 707,757

* Included in Costs and Expenses, Depreciation: $359,598,000 in 1984 and $333,381 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 156,181	$ 255,260
Accts. receiv., net	1,770,601	2,092,894
Other receiv.	—	456
*Inventories	3,668,536	3,431,850
Prepaid expenses	324,362	218,757
Accounts payable - debit balances	—	2,710
Current Assets	$ 5,919,680	$ 6,001,927
#Fixed assets	3,450,477	3,612,836
Other assets	207,770	207,299
Total Assets	$ 9,577,927	$ 9,822,062

Liabilities

Bank loans	$ —	$ 500,000
Notes payable	200,000	325,000
Accts. payable	356,565	220,528
Accruals	414,659	313,89[illegible]
Accts. receiv.- credit balances	—	9,117
Curr. Liabilities	$ 971,224	$ 1,368,544
Long-term debt	1,608,944	1,762,066
+Common stock	147,948	133,805
Add. paid-in capital	4,308,054	3,404,543
Retained earnings	2,541,757	3,153,104
Total Liabilities & Shareholders' Equity	$ 9,577,927	$ 9,822,062

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.93	10.98
%Net Income to Sales	2.08	6.57
%Net Income to Equity	3.02	10.58
Sales to Inventories	2.78	3.14
Debt to Equity	0.26	0.39
Working Capital	$4,948,456	$4,548,933
Current Ratio	6.10	4.32
Shareholders' Equity	$6,997,759	$6,691,452

Boston Digital Corporation

Granite Park
Milford, Massachusetts 01757
(617) 473-4561

Officers: Thomas D. Linn, president; Ara Aykanian, executive v.p. & treasurer; Simon Queen, clerk; Stanley Leven, asst. clerk; Richard H. Dietz, v.p.-marketing; Robert M. Engler, v.p.-manufacturing; Ernest H. Johnston, v.p.-engineering; William F. Staples, asst. treasurer & controller.

Directors: Ara Aykanian, H. Joseph Gerber, Thomas D. Linn, Stanley Leven, David J. Logan, Simon Queen.

Areas of Work: Develops, manufactures and markets computer numerically controlled precision machining systems.

Subsidiaries:

BostoMatic International Corporation (DISC)
Hopkinton, Massachusetts

BostoMatic GmbH
Essingen, West Germany

BostoMatic U.K., Ltd.
England

BostoMatic Foreign Sales Corporation (FSC)
U.S. Virgin Islands

Boston Digital Investment Corporation
Securities investment.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BOST (NASDAQ)

Number of Employees:

1985	N.A.	1982	N.A.
1984	N.A.	1981	200
1983	160		

Plant Footage:

1985	N.A.	1982	N.A.
1984	80,000 sq. ft.	1981	55,000
1983	80,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 15,772,783	$ 343,000
1984	18,289,000	1,111,000
1983	15,703,000	711,000
1982	21,399,000	1,598,000
1981	20,981,709	1,875,898

	No. of Com. Shares #	Earn. per Share #
1985	2,736,937	$ 0.13
1984	2,752,350	0.40
1983	2,733,457	0.26
1982	2,744,474	0.58
1981	2,810,654	0.67

# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 13,482,475	$ 4.93
1984	13,139,075	4.77
1983	12,017,797	4.40
1982	11,306,576	4.12
1981	9,662,681	3.44

# Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1985	1984
Net sales	$ 15,772,783	$ 18,289,411
Cost of sales	12,119,721	13,373,171
Expenses	3,613,742	3,177,335
Oper. profit	$ 39,320	$ 1,738,905
Interest expense	367,933	133,359
Interest income	(480,013)	(423,415)
Loss on sale	—	10,883
Income before taxes	$ 151,400	$ 2,018,078
Income taxes (credit)	(192,000)	907,000
Net Income	$ 343,400	$ 1,111,078

* Included in Costs and Expenses, Depreciation and Amortization: $538,610 in 1985 and $401,490 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 196,502	$ 156,577
Short-term invest.	4,872,349	4,199,631
Income taxes refundable	352,000	211,000
Accts. receiv., net	2,151,249	4,111,193
*Inventories	6,534,987	5,210,798
Prepaid expenses	119,556	63,904
Deferred inc. taxes	155,100	91,000
Current Assets	$ 14,381,743	$ 14,044,103
#Fixed assets	3,900,428	4,136,084
Other assets	174,463	209,771
Total Assets	$ 18,456,634	$ 18,389,958

Liabilities

Accts. payable	$ 652,577	$ 670,773
Accrued payroll	274,430	253,767
Long-term debt, curr.	122,500	105,000
Accruals	351,982	351,343
Cust. deposits	17,070	—
Curr. Liabilities	$ 1,418,559	$ 1,380,883
Oblig. under cap. leases	3,247,500	3,370,000
Deferred inc. taxes	308,100	500,000
+Common stock	263,127	263,127
Add. paid-in capital	4,368,079	4,368,079
Retained earnings	8,851,269	8,507,869
Total Liabilities & Shareholders' Equity	$ 18,456,634	$ 18,389,958

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.96	11.03
%Net Income to Sales	2.18	6.07
%Net Income to Equity	2.55	8.46
Sales to Inventories	2.41	3.51
Debt to Equity	0.25	0.26
Working Capital	$12,963,184	$12,663,220
Current Ratio	10.14	10.17
Shareholders' Equity	$13,482,475	$13,139,075

Bowmar Instrument Corporation

531 Main Street
Acton, Massachusetts 01720
(617) 263-8365

Officers: Edward A. White, chairman & chief executive officer; Charles S. Krakauer, president & chief operating officer; John C. Maag, treasurer & secretary.

Directors: Edward A. White*, chairman, James C. Marlas*, J. Davidge Warfield, Harry Rex Land, Jr., Fred N. Gerard*, Dan L. McGurk, Charles S. Krakauer, J. Sidney Webb*.

* Member of the Executive Committee.

Areas of Work: Manufactures data communications products, including multifunction generators and data acquisition equipment. Also manufactures electronic communications test equipment, electromechanical digital displays, keyboards and thermal printers for use in industrial instrumentation applications, and electromechanical components and packages, including rotating devices (gearheads, motors and motor generators), synchros, mechanical counters, resolvers, dial drives, mechanical packages, ordnance devices and build-to-print military subcontracts.

Divisions:

Bowmar Aerospace Division
8000 Bluffton Road
Fort Wayne, Indiana 46809
(219) 747-3121

Bowmar Instrument Corporation

Bowmar Commercial Products Division
4640 126th Avenue, North
Clearwater, Florida 33520
(813) 576-2525

Subsidiaries:

Bowmar/ALI, Inc.
531 Main Street
Acton, Massachusetts 01720
(617) 263-8365

Harowe Servo Controls, Inc.
Westtown Road at West Chester Pike
West Chester, Pennsylvania 19380
(215) 692-2700

Bowmar Instrument Limited
43/45 High Street
(932) 51341 Weybridge, Surrey, KT 138 BB England

St. Kitts Enterprises Co. Ltd.
P.O. Box 392
Sandy Point, St. Kitts, West Indies
(809) 465-6227

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: BOM

Number of Employees:

1985	888	1982	1,069
1984	926	1981	1,160
1983	908		

Plant Footage:

1985	220,000 sq. ft.	1982	N.A.
1984	220,000	1981	298,000
1983	228,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 42,617,000	$ 1,417,000
1984	38,100,000	757,000
1983	39,321,000	(2,085,000)
1982	42,168,000	(174,000)
1981	42,698,000	583,000

	No. of Com. Shares #	Earn. per Share #
1985	4,629,633	$ 0.31
1984	4,578,135	0.17
1983	4,539,150	—
1982	4,447,326	—
1981	5,628,517	0.10

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Electronics	$13,534	32%	$ 9,765	26%
Electromechanical	29,083	68	28,335	74
Total	$42,617	100%	$38,100	100%

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 7,658,000	$ 1.65
1984	5,053,000	1.10
1983	3,831,000	0.85
1982	6,791,000	1.52
1981	7,246,000	1.65

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 42,617	$ 38,100
Cost of sales	29,910	27,636
Expenses	8,587	7,914
Interest income	(126)	(156)
Interest expense	1,501	1,493
Other income	(132)	(81)
Prov. for litigation	168	—
Income before taxes	$ 2,709	$ 1,294
Income taxes	1,292	537
Net Income	$ 1,417	$ 757

* Included in Costs and Expenses, Depreciation and Amortization: $875,000 in 1985 and $778,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 1,701	$ 1,509
Receiv., net	7,808	7,701
*Inventories	9,429	8,163
Prepaid expenses	239	181
Current Assets	$ 19,177	$ 17,554
#Fixed Assets	4,580	4,322
Other assets	651	623
Total Assets	$ 24,408	$ 22,499

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 74	$ 43
Accts. payable	2,870	2,691
Accruals	2,631	3,665
Curr. Liabilities	$ 5,575	$ 6,399
Long-term debt	175	47
Convert. subord. deben.	11,000	11,000
+Common stock	471	471
Add. paid-in capital	3,587	2,460
Retained earnings	3,688	2,271
Treasury stock	(8)	(12)
Foreign currency adjustments	(80)	(137)
Total Liabilities & Shareholders' Equity	$ 24,408	$ 22,499

* At lower of cost (principally moving average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 stated value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	6.36	3.40
%Net Income to Sales	3.32	1.99
%Net Income to Equity	18.50	14.98
Sales to Inventories	4.52	4.67
Debt to Equity	0.03	0.02
Working Capital	$13,602,000	$11,155,000
Current Ratio	3.44	2.74
Shareholders' Equity	$ 7,658,000	$ 5,053,000

BR Communications

1249 Innsbruck Drive
Sunnyvale, California 94089
(408) 734-1600

Officers: Robert B. Fenwick, chairman of the board; Gordon W. Breland, president & chief exec. officer; Harvey Schloss, v.p., chief financial officer & secretary; J. Roger Flanagan, John F. McLaughlin, Roy A. Sasselli, v.p.'s.

Directors: Robert B. Fenwick, chairman; William E. Ayer, John W. Ballard, John M. Bolger, Gordon W. Breland, Kenneth P. Miles.

Areas of Work: Develops, manufactures and markets high-frequency (HF) communications frequency management systems, time diversity modems, and other specialized HF equipment for high reliability military and diplomatic applications.

Divisions and Subsidiaries:

BR Communications Foreign Sales Corporation

Transfer Agent(s):

Bank of America, NT&SA
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BRHF (NASDAQ)

Number of Employees:

1985	155

Plant Footage:

1985	42,000 sq. ft.

Sales and Earnings

	Revenues	Net Income
1985	$ 13,300,639	$ 1,041,195
1984	19,010,123	3,944,136
1983	19,870,290	4,097,737
1982	14,331,145	2,562,461
1981	8,176,777	1,406,294

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,208,956	$ 0.25
1984	4,257,274	0.93
1983	4,067,283	1.01
1982	3,336,515	0.77
1981	3,157,935	0.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.03	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 27,959,677	$ 6.64
1984	26,538,048	6.23
1983	22,830,665	5.61
1982	5,881,528	1.76
1981	3,181,830	1.01

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 13,300,639	$ 19,010,123
Cost of revenues	6,748,891	7,499,138
Expenses	6,377,327	6,444,398
Interest income	(1,042,574)	(1,380,049)
Income before taxes	$ 1,216,995	$ 6,446,636
Income taxes	175,800	2,502,500
Net Income	$ 1,041,195	$ 3,944,136

* Included in Costs and Expenses, Depreciation and Amortization: $871,443 in 1985 and $742,863 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 3,507,985	$ 4,384,965
Short-term invest.	8,898,327	8,707,624
Accts. receiv., net	5,188,215	4,709,388

*Inventories	6,378,197	5,617,100
Prepaid expenses	287,315	258,533
Prepaid income taxes	140,181	—
Current Assets	$ 24,400,220	$ 23,677,610
Marketable eq. secur.	3,511,500	3,972,125
#Fixed assets	1,869,956	2,225,005
Other assets	344,635	471,584
Total Assets	$ 30,126,311	$ 30,346,324

Liabilities

Accts. payable	$ 422,861	$ 861,642
Accrued payroll	489,530	892,551
Other accruals	174,637	307,889
Income taxes	35,444	836,794
Curr. Liabilities	$ 1,122,472	$ 2,898,876
Deferred inc. taxes	1,044,162	909,400
+Common stock	13,674,527	13,510,842
Retained earnings	14,458,650	13,417,455
Valuation allow. for secur.	(173,500)	(390,249)
Total Liabilities & Shareholders' Equity	$ 30,126,311	$ 30,346,324

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Inc. bef. Taxes to Sales	9.15	33.91
%Net Income to Sales	7.83	20.75
%Net Income to Equity	3.72	14.86
Sales to Inventories	2.09	3.38
Working Capital	$23,277,748	$20,778,734
Current Ratio	21.74	8.17
Shareholders' Equity	$27,959,677	$26,538,048

Buck Engineering Co., Inc.

P.O. Box G86
Farmingdale, New Jersey 07727
(201) 938-2000

Officers: David T. Buck, chairman of the board emeritus; Peter M. Schluter, president & chief executive officer; Charles H. Bond, v.p.-finance & secretary; Christian T. Koerner, treasurer; Shirley L. Barrett, asst. secretary.

Directors: Raymond A. Bowers, David T. Buck, Peter M. Schluter, H. Daniel Harris, Garrett B. Hunter, E.A. Savinelli, Charles H. Bond, Kenneth D. Roberts.

Areas of Work: Primarily manufactures and markets educational equipment and knowledge transfer systems used in teaching electronics, mechanical and electric power technology in industrial training facilities and vocational, technical and multi-level schools and colleges. Also designs, manufactures and markets engine analysis equipment for the transportation and related energy industries.

Divisions and Subsidiaries:

Lab-Volt Systems
P.O. Box 686
Farmingdale, New Jersey 07727
(201) 938-2000

Lab-Volt Limited
5368 Thirteenth Avenue
P.O. Box 279-Rosemont Station
Montreal, Quebec, Canada H1X 2XB
(514) 725-9552

Lab-Volt (Quebec) Limited
2120 Lavoisier Street
Ste. Foy, Quebec, Canada G1N 4B1
(418) 681-6346

Go-Power Corporation
1890 Embarcadero Road
Palo Alto, California 94303
(415) 328-7676

Graymark International, Inc.
Santa Ana, California

Electronics Institute
5605 Troost Avenue
Kansas City, Missouri 64110
(816) 361-5656

Technical Systems, Inc.
Minneapolis, Minnesota

Quintech Division
Belleville, Ontario, Canada

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUCK (NASDAQ)

Number of Employees:

1985	378	1982	324
1984	340	1981	280
1983	326		

Sales and Earnings

	Net Sales	Net Income
1985	$ 27,332,641	$ 883,636
1984	22,993,835	844,425
1983	21,612,063	748,256
1982	21,275,680	643,749
1981	16,380,994	495,138

	No. of Com. Shares #	Earn. per Share #
1985	496,023	$ 1.78
1984	519,411	1.63
1983	593,590	1.26
1982	615,481	1.05
1981	696,798	0.71

# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 6,275,855	$ 12.65
1984	5,485,798	10.56
1983	5,725,332	9.65
1982	5,028,619	8.62
1981	5,276,755	7.61

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 27,332,641	$ 22,993,835
Cost of sales	14,952,107	12,434,464
Expenses	10,257,493	8,586,740
Other expense	69,627	18,076
Interest expense	511,121	478,453
Write-down of cost	113,657	75,677
Income before taxes	$ 1,428,636	$ 1,400,425
Income taxes	545,000	556,000
Net Income	$ 883,636	$ 844,425

* Included in Costs and Expenses, Depreciation and Amortization: $336,543 in 1985 and $264,112 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & invest.	$ 1,308,109	$ 246,994
Accts. receiv., net	8,566,621	5,990,549
*Inventories	6,765,468	4,990,906
Prepaid expenses	567,112	177,406
Current Assets	$ 17,207,310	$ 11,405,855
#Fixed assets	2,025,935	2,017,112
Other assets	1,102,700	1,212,774
Total Assets	$ 20,335,945	$ 14,635,741

Liabilities

Short-term borrowing	$ 2,200,000	$ 889,400
Long-term debt, curr.	711,633	405,384
Accts. payable & accruals	7,434,923	3,558,362
Accrued inc. taxes	336,247	267,747
Curr. Liabilities	$ 10,682,803	$ 5,120,893
Long-term debt	2,607,987	3,647,268
Advance payment	424,825	—
Other oblig.	—	100,580
Deferred inc. taxes	344,475	281,202
+Common stock	584,040	584,040
Add. paid-in capital	450,555	450,555
Retained earnings	6,476,641	5,593,005
Foreign curr. trans.	(254,323)	(160,744)
Treasury stock	(981,058)	(981,058)
Total Liabilities & Shareholders' Equity	$ 20,335,945	$ 14,635,741

* At lower of cost (principally LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary ●

%Income bef. Taxes to Sales	5.23	6.09
%Net Income to Sales	3.23	3.67
%Net Income to Equity	14.08	15.39
Sales to Inventories	4.04	4.61
Debt to Equity	0.53	0.74
Working Capital	$8,962,093	$6,284,962
Current Ratio	1.61	2.23
Shareholders' Equity	6,275,855	$5,485,798

Bulova Watch Company, Inc.

(95% owned by Loews Corporation)

Bulova Park
75-20 Astoria Boulevard
Jackson Heights, New York 11370
(718) 565-4200

Officers: Harry B. Henshel, chairman of the board; Andrew H. Tisch, president; Herbert C. Hoffman, chief operating officer; Lawrence F. Codraro, v.p., secretary & general counsel; Jerry Josephson, v.p.-Western operations; James S. Waterwash, v.p.; Paul S. Sayegh, executive v.p.; Thomas P. Hickerson, controller.

Directors: Harry B. Henshel, Herbert C. Hofmann, Andrew H. Tisch, Laurence A. Tisch, Preston R. Tisch.

Areas of Work: Manufactures and sells throughout the world, watches and clocks for consumer use, and sells power cells and watch parts to the trade. Also sells nonconsumer products for defense and industrial use, including timing and similar devices.

Divisions:

Consumer Products-Domestic
Technical Sales & Services
Consumer Products-International

Industrial/Defense Divisions:
 Systems and Instruments
 Providence Division

Subsidiaries:

American Watch Case Corporation
Atlantic Time Products Corporation
Bulova Watch Company Limited
Bulova Watch, S.p.A.
Bulova France, S.A.
Bulova Systems & Instruments Corporation

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Bulova Watch Company, Inc.

Ticker Symbol: BVA

Number of Employees:

1985 1,650

Sales and Earnings

	Net Sales	Net Income †
1985	$ 147,819,000	$ 16,649,000
1984	147,870,000	7,238,000
1983	151,786,000	(13,345,000)
1982	149,211,000	(10,550,000)
1981	176,814,000	(3,677,000)

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	4,599,000	$ 4.27
1984	4,599,000	1.57
1983	4,586,000	—
1982	4,402,000	—
1981	4,029,000	—

(Loss)

‡ Based on the weighted average number of shares outstanding.

† Including extraordinary gains of $1,756,000 ($0.38 per share) in 1985 and $3,095,000 ($0.67 per share) in 1984.

Revenues By Line of Business

	1985	1984
Consumer	$ 92,662,000	$ 96,929,000
Industrial & defense	54,229,000	49,562,000
Corporate	928,000	1,379,000
Total	$ 147,819,000	$ 147,870,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 52,550,000	$ 11.43
1984	33,133,000	7.20
1983	26,692,000	5.82
1982	35,478,000	8.06
1981	39,623,000	9.83

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 147,819	$ 147,870
Cost of sales	103,774	100,842
Expenses	33,791	35,455
Interest expense	1,868	2,531
Interest to affiliates	1,258	1,771
Loss (gain) from asset disposition	(23,556)	363
Inc. bef. taxes	$ 30,684	$ 6,908
Income tax	12,791	2,765
Net Income	$ 17,893	$ 4,143
Extraord. gain	1,756	3,095
Net Income & extraord. gain	$ 19,649	$ 7,238

* Included in Costs and Expenses, Depreciation: $926,000 in 1985 and $1,186,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 3,874	$ 4,622
Receivables, net	73,031	44,310
*Inventories	36,781	40,214
Prepaid expenses	676	812
Current Assets	$ 114,362	$ 89,958
#Fixed assets	3,990	4,835
Other assets	185	177
Total Assets	$ 118,537	$ 94,970

Liabilities
(000's)

Notes payable	$ 2,666	$ 2,308
Long-term debt, curr.	2,300	2,296
Accts. payable	7,112	9,093
Accruals	9,302	9,992
Accrued payroll	3,014	2,706
Contract progress collections	997	604
Income taxes	8,388	118
Curr. Liabilities	$ 33,779	$ 27,117
Long-term debt:		
9¼% Serial notes	7,026	9,311
6% Conv. subord. deb.	8,534	8,645
Mortg. payable	1,018	2,356
Other liabilities	1,630	1,408
Debt to affiliate	14,000	13,000
+Common stock	22,998	22,998
Add. paid-in capital	23,046	23,045
Retained earnings (deficit)	9,112	(10,537)
Cum. trans. adjust.	(2,601)	(2,368)
Treasury stock	(5)	(5)
Total Liabilities & Shareholders' Equity	$ 118,537	$ 94,970

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.76	4.67
%Net Income to Sales	13.29	2.80
%Net Income to Equity	37.39	12.50
Sales to Inventories	4.02	3.68
Debt to Equity	0.39	0.01
Working Capital	$80,583,000	$62,841,000
Current Ratio	3.39	3.32
Shareholders' Equity	$52,550,000	$33,133,000

Bunting, Inc.

46 Beatrice Street
P.O. Box 4114
Bridgeport, Connecticut 06607
(203) 384-0081

Officers: Lee Bunting, chairman of the board & chief exec. officer; Richard E. Bunting, president; John D. Larounis, v.p.-marketing; Gladys Brownrigg, asst. treasurer; Dorothy DeFerrari, secretary.

Directors: Lee Bunting, chairman; Richard E. Bunting, Brose Bunting, James T. Ragan, Joseph V. Quarles.

Areas of Work: Engaged in the assembling and marketing, through distributors and direct sales personnel, of various audio, visual and electronic communications systems and television viewing systems for use in hospitals, hotels and motels. A subsidiary, Midwest International, Inc., assembles and places coin-operated television chairs in mass transportation terminals.

Subsidiary:

Midwest International, Inc.
650 Wilmington Avenue
Salt Lake City, Utah 84106

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985 131

Plant Footage:

1985 . . . . . . 17,093 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 8,794,197	$ 432,010
1984	7,541,642	420,265
1983	6,799,877	277,196
1982	6,856,340	174,346
1981	4,879,115	196,261

	No. of Com. Shares †	Earn. per Share †
1985	2,133,651	$ 0.20
1984	2,187,261	0.19
1983	2,282,451	0.12
1982	2,291,475	0.08
1981	2,234,179	0.09

† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	3-for-2
1984	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 4,411,321	$ 2.07
1984	3,970,646	1.82
1983	3,724,558	1.63
1982	3,454,612	1.51
1981	3,280,302	1.47

† Based on the average number of shares outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 8,794,197	$ 7,541,642
Other income	2,205,090	2,408,505
Total Income	$ 10,999,287	$ 9,950,147
Cost of sales	6,893,973	6,097,044
Expenses	3,354,247	3,178,713
Interest expense	16,674	61,873
Income before taxes	$ 734,393	$ 612,517
Income taxes	302,383	192,252
Net Income	$ 432,010	$ 420,265

* Included in Cost and Expenses, Depreciation and Amortization: $411,044 in 1985 and $388,366 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & invest.	$ 788,002	$ 285,904
Accts. receiv., net	1,582,826	1,503,708
*Inventories	3,238,253	3,689,507
Prepaid expenses	114,700	473,969
Current Assets	$ 5,723,781	$ 5,953,088
Installment accts. receiv.	241,877	127,241
#Fixed assets	763,034	918,907
Other assets	28,896	299,417
Equip. leased to others	325,523	381,948
Total Assets	$ 7,083,111	$ 7,680,601

Liabilities

Long-term debt, curr.	$ 19,578	$ 42,585
Accrued customs fees	—	199,500
Accts. payable	941,562	1,148,207
Accrued commissions	272,215	258,095
Income taxes	12,035	9,812
Deferred inc. taxes	746,840	—
Billings in excess of costs	544,158	1,067,517
Curr. Liabilities	$ 2,536,388	$ 2,725,716
Long-term debt	15,467	7,339
Cap. lease oblig.	—	13,040
Deferred income	—	348,950
Deferred inc. taxes	119,935	614,910
+Common stock	22,956	13,892
Add. paid-in capital	2,359,523	1,906,578
Retained earnings	2,210,733	2,232,067
Treasury stock	(181,891)	(181,891)
Total Liabilities & Shareholders' Equity	$ 7,083,111	$ 7,680,601

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Total Income	6.68	6.16
%Net Income to Total Income	3.93	4.22
%Net Income to Equity	9.79	10.58
Sales to Inventories	0.01	0.02
Working Capital	$3,187,393	$3,227,372
Current Ratio	2.26	2.18
Shareholders' Equity	$4,411,321	$3,970,646

Burndy Corporation

Richards Avenue
Norwalk, Connecticut 06856
(203) 838-4444

Officers: David Dibner, chairman of the board; Theodore York, president; Stanley J. Aris, v.p. & chief financial officer; Ernest Fanwick, v.p., secretary & general counsel; Donald F. Keating, v.p.-human resources; Ramon V. Nicholl, v.p.-management systems and services; Alan H. Peltz, treasurer; Frederick H. McLenaghan, Thomas H. Pluff, William M. Nuckols, v.p.'s & gen. mgr.'s; Alan M. Peltz, controller.

Directors: David Dibner, chairman; George M. Szabad, Carlyle F. Barnes, John P. Horgan, Paul Kolton, J.E. Goldman, Richard C. Farley, Billy C. Christensen, Theodore C. York, Gorden F. McClure, Bern Dibner.

Areas of Work: The Company designs, manufactures and sells electrical and electronic connectors and related products. Products range from microminiature components for use in sophisticated electronic equipment to very large electrical connectors used by utilities in the generation, transmission and distribution of electric power. Most sales are made to original equipment manufacturers.

Subsidiaries:

Burndy Electra N.V.
Antvon Spinoystraat, 8
Mechelen, Belgium

Burndy Services Limited
St. Albans, England

Burndy do Brasil Conetores Ltda.
Estrada do Guarapirange, 2,400
Caixa Postal 30806
Sao Paulo 1, Brazil

Burndy Mexico, S.A. de C.V.
Calle del Rio No. 12
Naucalpan de Juarez
Estado de Mexico

Burndy-Japan Ltd. (affiliate)
9th Floor, T.O.C. Bldg.
22-17, 7-chome Nishigotanda
Sinagawa-Ku, Tokyo-141
Japan

Burndy Electra SpA
Stada del Francese 137
C.P. 130 Ferrovia
10100, Torino, Italy

Burndy Espanola, S.A.
Calle Vilamari 81
Barcelona 15, Spain

Burndy S.A.
39-41 rue Amilcar Cipriani
93-St. Ouen, France

Burndy Scandinavia A.B.
Stockholm, Sweden

Burndy Nederland B.V.
Delftsevaart 26
Rotterdam, Netherlands

Burndy Inc.
Canada

Burndy (FSC) Inc.
U.S. Virgin Islands

Burndy International Inc.
Burndy Export Sales Corp.

Husky Products, Inc.
Kentucky

Caribbean Electronics Limited
Bermuda

Transfer Agent(s):
Marine Midland Bank N.A.,
250 Park Avenue
New York, New York 10177

Stock Exchange(s): New York

Ticker Symbol: BDC

Number of Employees:

1985	3,828	1982	3,865
1984	4,350	1981	4,698
1983	4,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 218,970,000	$ (9,061,000)
1984	232,380,000	12,763,000
1983	211,509,000	12,040,000
1982	226,409,000	15,325,000
1981	256,764,000	32,839,000

	No. of Com. Shares +	Earn. per Share +
1985	12,001,000	$ —
1984	11,978,000	1.07
1983	11,967,000	1.01
1982	12,088,000	1.27
1981	12,442,000	2.64

(Loss)
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.64	—	—
1984	0.84	—	—
1983	0.80	—	—
1982	0.72	—	—
1981	0.63	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 119,408,000	$ 9.95
1984	131,354,000	10.97
1983	131,554,000	10.99
1982	130,678,000	10.81
1981	133,422,000	10.72

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 218,970,000	$ 232,380,000
Cost of sales	155,434,000	141,197,000
Expenses	67,281,000	62,457,000
Interest expense	9,722,000	7,391,000
Other income	(4,794,000)	(6,237,000)
Income (loss) bef. taxes	$ (8,673,000)	$ 27,572,000
Income taxes	388,000	14,809,000
Net Income (Loss)	$ (9,061,000)	$ 12,763,000

* Included in Costs and Expenses, Depreciation and Amortization: $11,715,000 in 1985 and $8,781,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 12,584,000	$ 25,175,000
Accts. receiv., net	43,886,000	50,959,000
*Inventories	69,910,000	72,387,000
Prepaid expenses	8,142,000	2,210,000
Current Assets	$ 134,522,000	$ 150,731,000
Investments	7,593,000	6,111,000
#Fixed assets	70,771,000	68,819,000
Other assets	1,329,000	1,524,000
Intangibles	1,006,000	1,052,000
Total Assets	$ 215,221,000	$ 228,237,000

Liabilities

Notes payable	$ 14,534,00	$ 36,138,000
Long-term debt, curr.	3,778,000	2,017,000
Accts. payable & accruals	26,203,000	24,645,000
Accrued payroll	5,986,000	6,556,000
Income taxes	—	2,106,000
Curr. Liabilities	$ 50,501,000	$ 71,462,000
Long-term debt	35,685,000	16,508,000
Deferred inc. taxes	8,904,000	8,215,000
Deferred retirement	723,000	698,000
+Common stock	13,136,000	13,136,000
Add. paid-in capital	6,113,000	6,175,000
Retained earnings	125,674,000	142,412,000
Cumulative translation adjustments	(8,081,000)	(12,690,000)
Treasury stock	(17,434,000)	(17,679,000)
Total Liabilities & Shareholders' Equity	$ 215,221,000	$ 228,237,000

* Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	11.87
%Net Income to Sales	—	5.49
%Net Income to Equity	—	9.72
Sales to Inventories	3.13	3.21
Debt to Equity	0.45	0.42
Working Capital	$ 84,021,000	$ 79,269,000
Current Ratio	2.66	2.11
Shareholders' Equity	$119,408,000	$131,354,000

Burroughs Corporation

Burroughs Place
Detroit, Michigan 48232
(313) 972-7000

Officers: W. Michael Blumenthal, chairman of the board & chief exec. officer; Paul G. Stern, president & chief operating officer; Philip S. Dauber, Frederick F. Jenny, Robert F. Holmes, Richard H. Bierly, Hollis L. Caselll, James A. Unruh, sr. v.p.'s; William J. Beckham, Jr., Eric V. McGlone, Fred R. Meier, Eugene L. Merlino, Jr., Robert D. Merrell, Robert J. O'Connell, Jack F. Thompson, Leroy W. Beers, Martin A. Belsky, Richard B. Williams, John J. Holton, Reto Braun, George R. Gazerwitz, Curtis A. Hessler, Jeanette P. Lerman, W. Lee Shevel, v.p.'s; J. Marne Gleason, v.p. & gen. counsel; Kenneth L. Miller, v.p. & secretary; Raymond V. Thomas, v.p. & controller; Leon J. Level, v.p. & treasurer; Bernard M. Hirl, general auditor; Bobette Jones, asst. secretary; Jack R. Silverberg, asst. treasurer; Robert A. Crist, asst. controller.

Directors: W. Michael Blumenthal, chairman of the board; Charles F. Barber, James C. Fletcher, Wade H. McCree, Jr., William G. Milliken, Paul S. Mirabito, Alan E. Schwartz, Arthur R. Seder, Jr., Harold T. Shapiro, Paul G. Stern, Robert M. Surdam, Alice M. Rivlin, William E. LaMotle.

Areas of Work: Engaged in designing, engineering, manufacturing, marketing and supporting information systems and providing related services and supplies.

Burroughs Corporation

Operating Groups and Divisions:

System Products
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232

This group manages all Burroughs operations relating to the planning, engineering and manufacturing of a full-range of computer systems, environmental software and associated communications capabilities. The group produces a broad range of systems from the large scale B 7900 series and the recently introduced A Series of mainframe systems, through medium and smaller scale systems including the B 4900, B 5900, B 3900, B 2900, to small scale systems including the B 1900, B 900 and B 90 series computer systems. System Products is also active in semiconductor and circuit design for devices to be incorporated in Burroughs products. In 1983, System Products established the Advanced Systems Group, chartered to develop the next generation of fully distributed processing systems and supporting networking capabilities. System products operates plant facilities in the U.S. and overseas.

System Development Corporation
5151 Camino Ruiz
Camarillo, California 93010

SDC is a wholly-owned subsidiary of Burroughs which focuses on federal government markets for standard and special information processing equipment and services. SDC was acquired in 1981 and now includes the former Burroughs Federal & Special Systems Group.

Divisions:

Memorex Corporation
San Tomas at Central Expressway
Santa Clara, California 95052

Memorex is a wholly-owned subsidiary of Burroughs which develops, manufactures, markets and supports a range of information storage devices, media, terminals and other communications systems. Memorex maintains marketing operations in some 80 countries worldwide.

Financial Systems Group
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232

The Financial Systems Group manages Burroughs product programs targeted for the financial services marketplace. Current offerings include a broad range of financial systems and software including financial terminals such as teller terminals and ATMs, check encoding systems, document processing systems, and related systems. FSG also manages Burroughs printer products, which include both high speed impact and a number of non-impact printers, including a new laser page printing system. FSG operates facilities in the U.S. and overseas.

Business Information Systems Group
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232

The Business Information Systems Group is responsible for Burroughs programs in small business systems, notably the B 20 family of microcomputer systems, general purpose display terminals and workstations, including the ET series of ergonomic terminals, and a range of office automation equipment including word processing systems, facsimile devices, mass storage systems and related devices. BISG also manages Burroughs Dealer Marketing Organization, comprised of distributors and retail dealers of B 20 systems and related software.

Worldwide Marketing
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232

Worldwide Marketing consolidates marketing and market planning operations for Burroughs principal product programs for both domestic and international markets. WWM is organized into staff segments charged with coordinating marketing practices, targeted line-of-business development, and overall planning and marketing strategy. Two principal operating groups are responsible for field marketing management: the Business Machines Group is responsible for U.S. marketing activities through a structure of eight marketing regions; the International Group coordinates marketing activities through two geographical divisions and reporting country subsidiaries. The unit also includes a new software and services unit and separate customer support operations.

Planning & Logistics Division
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232

PLG integrates manufacturing planning, distribution and inventory management through the coordination of all processes from order entry through customer delivery and installation.

Business Machines Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-7330

Markets Burroughs systems and equipment and provides customer support services throughout the United States.

International Group
Burroughs Place, P.O. Box 330-A
Detroit, Michigan 48232
(313) 972-7432

Markets Burroughs systems and equipment and provides customer support services outside the United States.

Federal and Special Systems Group
P.O. Box 517
Paoli, Pennsylvania 19301
(215) 648-3411

Markets Burroughs systems and equipment and provides support services to the U.S. Government. Also engineers and manufactures special systems and equipment and markets them in the U.S. and overseas.

Computer Systems Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-9687

Engineers and manufactures Company's very large, large, medium-scale, and small-scale systems.

Components Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-7232

Engineers and manufactures component products including integrated circuit assemblies; printed circuit boards; keyboards, fabricated parts; cables and other interconnection devices; and power supplies for use in Burroughs systems and equipment.

Terminal Systems Group
Burroughs Place, P.O. Box 418
Detroit, Michigan 48232
(313) 972-9337

Engineers and manufactures terminal systems and products, electronic calculators and adding machines.

Program Products Division
Radnor, Pennsylvania

Develops line-of-business application software for all standard products.

Micro-Components Organization
1670170 Bernardo Drive
San Diego, California 92127
(714) 487-3000

Engineers and manufactures semiconductor products including integrated circuit logic and memory; and develops advanced microcircuitry for use in Burroughs products.

Office Systems Group
Danbury, Connecticut

Develops, manufactures and markets office automation products, including facsimile and optical character recognition products, word processing and retrieval products.

Communications and Networks Group
Burroughs Place
Detroit, Michigan 48232

Develops a variety of communications and network systems including distributed data processing systems, interfaces to public and private networks and local network distribution systems.

Document Information Systems Group
Burroughs Place
Detroit, Michigan 48232

Engineers and manufactures encoders, printers, and document reader-sorters.

Display Division
Plainfield, New Jersey

Manufactures and markets on an OEM basis plasma displays.

Office and Media Products Group
Burroughs Corp. WHQ
Burroughs Place
Detroit, Michigan 48232

Combines the former Office Products Group operation in the U.S., the Business forms and Supplies division of the International Group, the Memorex Media Products group, and the Imaging Systems division to provide a broad range of business forms, checks and other financial documents, magnetic media, office supplies and facsimile systems. The group operates plants in the U.S. and overseas markets through distributors, agents, a direct sales force and a direct response marketing program.

Subsidiaries:

Burroughs Export Corporation
100 West Tenth Street
Wilmington, Delaware

Burroughs Information Systems, Ltd.
Wilmington, Delaware

Burroughs Inter-America, Limited
Wilmington, Delaware

Burroughs International Company
Wilmington, Delaware

Burroughs Properties, Inc.

Compania Burroughs de Maquinas Limitada
Ingeniero Heurgo 965
Buenos Aires, Argentina

Burroughs Limited
P.O. Box 464
North Sydney, NSW, Australia 2060

Burroughs Datenverarbeitung Gesellschaft m.g.H.
Moering Gasse 10
A-1151 Vienna, Austria

Compangnie Belge Burroughs, S.A.
12 Ave de Broqueville
(Angles Rue du Duc 100)
1150 Brussels, Belgium

Burroughs Electronica Ltda.
Caixa Postal 1410-ZC00
Rio De Janeiro, Est. Da Guanabara
Brazil

Burroughs de Chile, S.A.
Casilla de Correo 14285
Santiago, Chile

Burroughs de Colombia, S.A.
Apartado Aereo 53433
Bogota de Colombia

Burroughs de Centro America, S.A.
Apartado 2837
San Jose, Costa Rica

Burroughs Data Systemer A/S
Jydeholmen 15
2720 Van Lose
Copenhagen, Denmark

Societe Autonyme Burroughs
230-242 Avenue Laurent Cely
Boite Postale 50
92231-Gennevilliers (Hauts de Seine)
France

Burroughs Machines Limited
Heathrow House, Bath Road
Hounslow, Cranford
Middlesex, England

Burroughs G.m.b.H.
Frankfurter Allee-14-20
D6236, Eschborn, Germany

Burroughs B.V.
Prof EM, Meyerslaan 2-4
P.O. Box 48
Amstelveen, Holland

Burroughs Machines (Hong Kong) Ltd.
B300, Black 'B', Watson's Estate
Watson Road
North Point, Hong Kong

Burroughs Italiana S.p.A.
Via Cernaia 2
20121 Milan, Italy

Burroughs Machines Limited
P.O. Box 40572
Nairobi, Kenya

Compania Burroughs Mexicana, S.A.
Ave Ejercito Nacional 1005
Mexico 10, D.F., Mexico

Burroughs Limited
P.O. Box 30354
Lower Hutt, New Zealand

Burroughs A/S
P.O. Box 40-Bestun
Oslo 2, Norway

Burroughs Limited
P.O. Box 343, Makati, Rozal 3117
Manila, Philippines

Burroughs Europe-Africa Marketing Limited
Middlesex, England

TATA Burroughs Ltd.
Manish Commercial Centre-5th Floor
Dr. Anni E. Seasant Rd.
Worli, Bombay 400-025, India

Burroughs, Inc.
G.P.O. Box 3308
San Juan, Puerto Rico 00936

Burroughs Machines, Limited
Burroughs House
P.O. Box 2316
Salisbury, Rhodesia

Burroughs Machines, Limited
P.O. Box 3996
Johannesburg, Transvaal, South Africa

Burroughs AB
Banergatan 10
S-11522 Stockholm, Sweden

Burroughs (Schweiz) A.G.
P.O. Box 2067
8023 Zurich, Switzerland

Burroughs International S.A.
18, Rue St. Pierre
1700 Fribourg, Switzerland

Burroughs S.A.
General Davila 7
Madrid-3, Spain

Burroughs Compania Anonima
Apartado 70116-Los Ruices
Caracas, Venezuela

Burroughs Caribbean Limited
P.O. Box 69
Cross Roads
Kingston 5, Jamaica, W.I.

Burroughs Electronica (Portugal) S.A.R.L.
Rua Gregorio Lopes, Lote 1514
Lisbon-3 (Restelo) Portugal

Burroughs Business Machines, Ltd.
801 York Mills Road
Don Mills, Ontario, M3B 1X8 Canada

Burroughs Bahamas Ltd.
P.O. Box ES6266
Dowdswell Street
Nassau, Bahamas

Galactic Assurance Group Ltd.
Bank of Bermuda Building
Hamilton, Bermuda

Formularios e Suprimentos Burroughs Ltda.
Rio De Janeiro, Est. de Guanbara, Brazil

Burroughs Leasing Company Limited
Heathrow House, Bath Road
Hounslow, Cranford
Middlesex, England

Burroughs Co., Ltd.
Hanzomon Building
7.1 chome, Kojimachi
Chiyoda Ku, Tokyo
102, Japan

Burroughs Computer Systeme Gesellschaft m.b.H.
Tauchlaben, 7a
1010 Vienna 1, Austria

Ubique Assurance Ltd.
Bank of Bermuda Building
Hamilton, Bermuda

Burroughs Hellas S.A.
121 Sygrov Avenue
Athens 405, Greece

Burroughs, S.A. de C.V.
Ejercito Nacional 1005
Mexico, D.F. Mexico

Industrias Mexicanas Burroughs, S.A. de C.V.
Guadalajara Jalisco, Mexico

Espirales, S.A.
VBIA Espana 200
Panama 5, Republic of Panama

Burroughs S.A.
Via Espana 200
Panama 5 Republic of Panama

Burroughs A.G.
Fribourg, Switzerland

Burroughs Europe-Africa, Inc.

Burroughs Latin America, Inc.

Burroughs Pacific, Inc.

Burroughs Overseas Limited

Burroughs OEM Corporation

Burroughs OEM Marketing Corporation

Burroughs Pacific Finance Limited

Graphics Technology Corporation
Boulder, Colorado

Manufactures and develops CAD/CAM systems. Graftek specializes in software applications such as mechanical design, automated drafting, numerical control programming and plastic injection-mold design and analysis.

Systems Research Incorporated

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): New York*, Midwest*, Pacific*, Cincinnati, London, Amsterdam, Antwerp, Basel, Brussels, Geneva, Lausanne, Zurich.

* Listed.

Ticker Symbol: BGH

Number of Employees:

1985	60,500	1982	62,000
1984	65,300	1981	67,000
1983	63,800		

Plant Footage:

1985	N.A.	1983	10,239,000
1984	10,109,000 sq.ft.	1982	N.A.

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$3,526,000,000	$ 248,200,000
1984	3,240,800,000	244,900,000
1983	2,703,400,000	196,900,000
1982	2,485,679,000	117,628,000
1981	1,950,282,000	148,926,000

	No. of Com. Shares #	Earn. per Share #
1985	45,454,000	$ 5.46
1984	45,373,600	5.40
1983	42,847,000	4.60
1982	42,048,000	2.80
1981	41,641,000	3.58

# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Information Systems & Equipment	$ 2,899,300	$ 2,775,500
Equipment Service	1,142,200	1,112,300
Media Products	593,900	575,100
Special Purpose Products & Components	402,300	345,400
Total	$ 5,037,700	$ 4,808,300

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.60	—	—
1984	2.60	—	—
1983	2.60	—	—
1982	2.60	—	—
1981	2.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$2,492,400,000	$ 54.71
1984	2,297,400,000	50.65
1983	2,231,900,000	49.12
1982	2,040,649,000	48.36
1981	2,180,076,000	51.88

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,526,000	$ 3,240,800
Rentals & service revenue	1,511,700	1,567,500
Total Income	$ 5,037,700	$ 4,808,300
Cost of sales	2,185,000	2,005,800
Cost of rentals & service	898,700	909,300
Expenses	1,527,000	1,472,200
Interest expense	144,500	125,800
Interest & other income	(77,000)	(67,300)
Income before taxes	$ 359,500	$ 362,500
Income taxes	111,300	117,600
Net Income	$ 248,200	$ 244,900

* Included in Costs and Expenses, Depreciation: $338,400,000 in 1985 and $379,600,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & marketable securities	$ 42,500	$ 39,100
Accts. & notes receiv., net	1,228,600	1,191,300
*Inventories	1,475,400	1,367,800
Prepaid expenses	121,700	145,300
Current Assets	$ 2,868,200	$ 2,743,500
Long-term receiv.	223,600	293,100
Rental equip.	261,900	338,700
#Fixed assets	1,007,100	949,800
Other assets	195,600	179,100
Total Assets	$ 4,556,400	$ 4,504,200

Liabilities
(000's)

Notes payable	$ 157,200	$ 203,300
Long-term debt, curr.	14,000	24,800

Burroughs Corporation

Accts. payable	511,700	619,600
Other accruals	447,600	* 399,400
Dividends payable	29,600	29,500
Income taxes	79,600	155,900
Curr. Liabilities	$ 1,239,700	$ 1,432,500
Long-term debt	801,800	742,200
Deferred inc. taxes	22,500	32,100
+Common stock	228,000	227,800
Add. paid-in capital	596,300	599,000
Retained earnings	1,872,400	1,742,400
Treasury stock	(400)	(9,000)
Currency translation adjustment	(203,900)	(262,800)
Total Liabilities & Shareholders' Equity	$ 4,556,400	$ 4,504,200

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Total Income	7.14	7.54
%Net Income to Total Income	4.93	5.09
%Net Income to Equity	9.96	10.66
Debt to Equity	0.39	10.66
Working Capital	$1,628,500,000	$1,311,000,000
Current Ratio	2.31	1.92
Shareholders' Equity	$2,492,400,000	$2,297,400,000

Butler National Corporation

8246 Nieman Road
Lenexa, Kansas 66214
(913) 888-8585

Officers: Leonard E. Lindquist, chairman of the board; Gerald R. Smith, president & chief. exec. officer; R.J. Fitzgerald, secretary; Janice E. Katterlenry, v.p., treasurer & asst. secretary; Jack Graham v.p.-aircraft modifications; Robert D. Fulton, v.p.-marketing & sales.

Directors: Leonard E. Lindquist, chairman; Carl H. Almond, Gerald R. Smith, Albert Sidun, Howard Boasberg, Richard J. Fitzgerald.

Areas of Work: Manufactures and sells avionics equipment, navigation and communication devices. Primary products are an Automatic Dialing Alarm System (ADAS) and an airborne switching unit. Also manufactures synthesized voice computers, pipeline monitoring systems and emergency notification systems.

Subsidiaries:

Cansas International Corporation
  Engaged in aircraft modification.

Plectron Corporation
Lenexa, Kansas
  Manufactures radio, data and voice transmission equipment.

Avcon Industries
Newton, Kansas
  Modifies aircraft.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
7th & Marquette
Minneapolis, Minnesota 55401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: BUTL (NASDAQ)

Number of Employees:

1985	95	1982	60
1984	99	1981	50
1983	64		

Plant Footage:

1985	23,935 sq.ft.	1982	22,000
1984	23,935	1981	22,000
1983	23,935		

Sales and Earnings

	Net Sales †	Net Income +
1985	$ 5,218,000	$ 391,186
1984	6,035,000	401,041
1983	4,995,000	458,170
1982	5,199,000	195,983
1981	3,203,000	(376,533)

	No. of Com. Shares #	Earn. Per Share # +
1985	3,019,111	$ 0.13
1984	2,904,134	0.14
1983	2,737,476	0.17
1982	2,737,667	0.07
1981	2,732,717	—

(Loss)
† Of continuing operations only.
# Based on the weighted average number of shares outstanding.
+ Including extraordinary credits of $143,000 ($0.05 per share) in 1984, $228,500 ($.08 per share) in 1983 and $100,500 ($0.04 per share) in 1982.

Revenues By Line of Business

	1985	1984
Avionics	$ 898,684	$ 3,079,767
Monitoring & communication systems	2,852,666	2,014,491
Aircraft modification	1,294,390	597,613
Other	171,878	343,055
Total	$ 5,217,618	$ 6,034,926

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 2,634,868	$ 0.87
1984	2,224,019	0.77
1983	1,373,624	0.50
1982	915,454	0.33
1981	714,831	0.26

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended April 30	1985	1984
Net sales	$ 5,217,618	$ 6,034,926
Cost of sales	2,543,925	3,878,478
Expenses	1,969,008	1,592,913
Interest expense	297,477	179,729
Interest income	(27,978)	(17,235)
Income before taxes	$ 435,186	$ 401,041
Income taxes	44,000	143,000
Net Income	$ 391,186	$ 258,041
Extraordinary gain	—	143,000
Net Income & extraordinary gain	$ 391,186	$ 401,041

* Included in Costs and Expenses, Depreciation and Amortization: $116,252 in 1985 and $84,859 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 46,667	$ 31,865
Accts. receiv., net	1,069,261	1,441,968
Receiv. from officer	—	110,442
Contract receivable	87,856	29,799
*Inventories	3,257,444	1,759,924
Prepaid expenses	59,797	22,811
Current Assets	$ 4,521,025	$ 3,396,809
Note receivable	160,432	138,875
Receiv. from officer	86,402	—
Contract receiv.	64,566	68,768
#Fixed assets	1,062,984	1,163,080
Other assets	123,879	137,602
Total Assets	$ 6,019,288	$ 4,905,134

Liabilities

Long-term debt. curr.	$ 31,065	$ 65,657
Accts. payable	627,366	458,559
Accrued inc. taxes	30,000	—
Accruals	236,137	210,829
Curr. Liabilities	$ 924,568	$ 735,045
Long-term debt	2,459,852	1,946,070
+Common stock	308,999	307,569
Add. paid-in capital	9,537,987	9,519,754
Deficit	(7,150,039)	(7,541,225)
Treasury stock	(62,079)	(62,079)
Total Liabilities & Shareholders' Equity	$ 6,019,288	$ 4,905,134

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.34	6.65
%Net Income to Sales	7.50	4.28
%Net Income to Equity	14.85	11.60
Sales to Inventories	1.60	3.43
Debt to Equity	0.95	0.90
Working Capital	$3,596,457	$2,661,764
Current Ratio	4.89	4.62
Shareholders' Equity	$2,634,868	$2,224,019

CAE Industries Ltd.

Suite 3060, P.O. Box 30
Royal Bank Plaza
Toronto, Ontario, M5J 2J1, Canada
(416) 865-0700

Officers: R. Fraser Elliott, chairman of the board; C. Douglas Reekie, vice chairman; David H. Race, president & chief executive officer; Frank van de Water, v.p.-finance and secretary; John G. Mackay, exec. v.p.; Frederick C. Fraser, v.p.-corp. relations; Donald M. Derouin, comptroller & asst. secretary.

Directors: R. Fraser Elliott, chairman; C. Douglas Reekie, P.L.P. Macdonnell, G. Drummond Birks, Pierre Cote, Ward C. Pitfield, E. Jacques Courtois, J.D. Creighton, J.W. McCutcheon, Michael M. Koerner, V.N. Stock, F.C. Wilkinson.

Areas of Work: CAE Industries Ltd. is a Canadian-owned holding and management company with operating divisions across Canada. These divisions are engaged in electronics, avaition, automotive and industrial products manufacturing and service for a wide variety of industries, and in the distribution of machine tools, industrial equipment and supplies from coast to coast. The company also has an electronics division in West Germany. Approximately 62% of the company's manufactured products sales are to export markets. CAE divisions specialize in high technology products and services.

Subsidiaries:

CAE Machinery Ltd.
3550 East Broadway
Vancouver, B.C., Canada
(604) 299-3431

USP Industries Inc.
72 Queen Street
Lennoxville, Quebec, Canada
(814) 562-4754

Northwest Industries Limited
Industrial Airport
P.O. Box 517
Edmonton, Alberta, Canada
(403) 455-3161

Canadian Bronze Company Limited
15 Bury Street
Winnipeg, Manitoba, Canada
(204) 786-6821

CAE Electronics Ltd.
8585 Cote de Liesse Road
St. Laurent 377
Montreal, Quebec, Canada
(514) 341-6780

CAE Webster Ltd.
1161 King Street
London, Ontario, Canada
(519) 455-1220

CAE Magnesium Products Div.
155 High Street
Strathroy, Ontario Canada
(519) 245-4040

CAE Accurcast Ltd.
333 Arnold Street
Wallaceburg, Ontario, Canada
(519) 627-1441

CAE Fiberglass Ltd.
219 Jamieson Bowe Road
Belleville, Ontario, Canada

CAE Electronics GmbH
Steinfurt II
Stolberg, Aachen, West Germany

CAE Metal Abrasive Division
650 Rushmore Road
Welland, Ontario, L3B 5R4 Canada
(416) 735-4691

CAE-DieCast Ltd.
15 Yale Cr.
St. Catharines, Ontario, Canada
(416) 688-6611

CAE Journpak
1840-44 Cote de Liesse Road
Montreal, Quebec, Canada

CAE Metals Ltd.
15 Yale Crescent
St. Catharines, Ontario, Canada

Transfer Agent(s):

Montreal Trust Company
Montreal, Quebec, Canada
Toronto, Ontario, Canada
Vancouver, British Columbia, Canada

Stock Exchange(s): Montreal, Toronto

Ticker Symbol: CAE

Number of Employees:

1985	4,892	1982	4,238
1984	4,065	1981	4,460
1983	3,558		

Sales and Earnings

	Revenues +	Net Income #
1986	$ 332,929,000	$ 24,370,000
1985	327,012,000	30,410,000
1984	283,119,000	22,743,000
1983	243,983,000	11,097,000
1982	219,780,000	4,407,000

	No. of Com. Shares ×	Earn. per Share ‡#
1986	38,052,631	$ 0.68
1985	35,862,850	0.85
1984	35,587,572	0.64
1983	35,003,172	0.32
1982	34,843,092	0.13

+ Of continuing operations only.
# Including extraordinary gains of $1,313,000 ($0.04 per share) in 1986 and $477,000 ($0.02 per share) in 1983, and extraordinary losses of $412,000 ($0.01 per share in 1985 and $6,020,000 ($0.35 per share) in 1982.
× Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.28	—	—
1985	0.20	—	2-for-1
1984	0.10	—	—
1983	0.10	—	—
1982	0.10	—	3-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 150,129,000	$ 3.95
1985	97,613,000	2.72
1984	73,326,000	2.06
1983	53,182,000	1.52
1982	45,501,000	1.31

‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended March 31	1986	1985
Revenue	$ 332,929	$ 327,012
Cost of sales & expenses	288,192	281,726
Depreciation & amortization	9,831	7,910
Interest expense	1,064	1,298
Interest income	(4,698)	(6,134)
Income from cont. oper.	$ 38,540	$ 42,212
Loss from discont. oper.	—	(1,776)
Income before taxes	$ 38,540	$ 40,436
Income taxes	15,483	9,614
Net Income	$ 23,057	$ 30,822
Extraord. items	1,313	(412)
Net Income & extraord. items	$ 24,370	$ 30,410

Assets
(000's)

As of March 31	1986	1985
Cash	$ 68,291	$ 58,556
Accts. receiv., net	63,051	54,275
*Inventories	181,044	99,849
Prepaid expenses	1,372	871
Net assets of discont. operation	115	1,005
Current Assets	$ 313,873	$ 214,556
#Fixed assets	69,430	56,702
Other assets	3,159	3,788
Deferred inc. taxes	—	1,008
Total Assets	$ 386,462	$ 276,054

Liabilities
(000's)

Bank indebtedness	$ 8,362	$ 6,800
Long-term debt, curr.	2,163	2,069
Accts. payable & accruals	57,087	49,696
Gov't of Canada loan	3,900	3,900
Income & other taxes	558	3,605
Deposits on contracts	148,481	95,842
Curr. Liabilities	$ 220,551	$ 161,912
Long-term debt	14,117	15,583
Deferred income taxes	398	—
Minority interest	1,267	946
+ Capital stock	47,256	8,271
Retained earnings	102,873	89,342
Total Liabilities & Shareholders' Equity	$ 386,462	$ 276,054

* At lower of average cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	1.16	—
%Net Income to Sales	6.93	—
%Net Income to Equity	15.36	31.58
Debt to Equity	0.11	0.18
Working Capital	$ 93,322,000	$52,644,000
Current Ratio	1.42	1.33
Shareholders' Equity	$150,129,000	$97,613,000

California Microwave, Inc.

990 Almanor Avenue
Sunnyvale, California 94086
(408) 732-4000

Officers: David B. Leeson, chief executive officer; Gilbert F. Johnson, president & chief operating officer; David E. Hershberg, v.p. & president-Satellite Transmission Systems, Inc.; George L. Spillane, v.p.-finance & chief financial officer; Joseph Russell, v.p. & president-Government Electronics Division; E. Russell Hardy, v.p. & president-Defense Products Division; Ivan A. Cermat, exec. v.p.-Telecommunications Division..

Directors: David B. Leeson, chairman; Robert A. Helliwell, Franklin P. Johnson, Jr., Gilbert F. Johnson, Oswald G. Villard, Jr., Thomas D. Sege, Daniel J. McGanney, Jr.

Areas of Work: Active in five related product areas— telecommunications transmission equipment, satellite earth stations and equipment, radar test equipment, defense communication converters, and government intelligence.

Divisions and Subsidiaries:

California Microwave Foreign Sales Corp.
(408) 732-4000

TXR, Inc.
Sunnyvale, California
Microwave digital radio.

Communications Systems Operation
Columbia, Maryland

Microwave Data Systems
Rochester, New York

Satellite Transmission Systems, Inc.
80 Oser Avenue
Hauppauge, New York 11787
(516) 231-1919

Defense Products Division
Defense satellite equipment, and radar equipment.

Telecommunications Division
Digital transmission, microwave radio equipment, and satellite telephony equipment and stations.

Government Electronics Division
Woodland Hills, California
Electronic intelligence systems.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMIC (NASDAQ)

Number of Employees:

1985	1,016	1982	1,034
1984	1,241	1981	994
1983	1,193		

Plant Footage:

1985	338,000 sq. ft.	1982	284,000
1984	365,000	1981	248,000
1983	365,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 105,359,000	$ 4,607,000
1984	112,493,000	5,866,000
1983	101,209,000	5,375,000
1982	88,615,000	4,154,000
1981	56,971,000	2,521,000

California Microwave, Inc.

	No. of Com. Shares #	Earn. per Share #
1985	8,433,000	$ 0.55
1984	8,409,000	0.70
1983	8,318,000	0.65
1982	8,014,000	0.52
1981	7,106,000	0.35

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Satellite commun. equipment	$ 52,419	50%	$ 65,524	58%
Terrestrial equipment	52,940	50	46,969	42
Total	$105,359	100%	$112,493	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	50%	—
1982	—	100%	—
1981	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 46,087,000	$ 5.47
1984	41,856,000	5.01
1983	34,954,000	4.31
1982	28,300,000	3.57
1981	23,147,000	2.99

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 105,359,000	$ 112,493,000
Cost of sales	79,275,000	84,555,000
Expenses	18,048,000	17,376,000
Interest income	(492,000)	(128,000)
Income before taxes	$ 8,528,000	$ 10,690,000
Income taxes	3,921,000	4,824,000
Net Income	$ 4,607,000	$ 5,866,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,238,000 in 1985 and $3,151,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 1,019,000	$ 1,638,000
Short-term investments	7,843,000	2,419,000
Accts. receiv., net	20,311,000	18,243,000
*Inventories	18,630,000	22,643,000
Prepaid expenses	423,000	258,000
Current Assets	$ 48,226,000	$ 45,201,000
#Fixed assets	11,260,000	12,814,000
Other assets	6,707,000	5,836,000
Total Assets	$ 66,193,000	$ 63,851,000

Liabilities

Accts. payable	$ 8,248,000	$ 9,773,000
Accruals	5,578,000	5,375,000
Income taxes	3,680,000	4,247,000
Curr. Liabilities	$ 17,506,000	$ 19,395,000
Long-term debt	2,600,000	2,600,000
+Common stock	2,054,000	2,055,000
+Jr. Common stock	27,000	33,000
Add. paid-in capital	15,367,000	14,540,000
Retained earnings	29,432,000	26,108,000
Unamortized stock plan	(510,000)	(513,000)
Notes receivable	(283,000)	(367,000)
Total Liabilities & Shareholders' Equity	$ 66,193,000	$ 63,851,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.09	9.50
%Net Income to Sales	4.37	5.21
%Net Income to Equity	10.00	14.01
Sales to Inventories	5.66	4.97
Debt to Equity	0.04	0.06
Working Capital	$30,720,000	$25,806,000
Current Ratio	2.75	2.33
Shareholders' Equity	$46,087,000	$41,856,000

Cambex Corporation

(formerly Cambridge Memories, Inc.)

360 Second Avenue
Waltham, Massachusetts 02154
(617) 890-6000

Officers: Joseph F. Kruy, chairman of the board & president; James R. Kearnan v.p. & treasurer; James E. Kryzynski, Arthur L. Ziskend, v.p.'s; John E. Beard, clerk.

Directors: Joseph F. Kruy, Myron A. Angier, C.V. Ramamoorthy, Philip C. Hankins.

Areas of Work: Designs, develops, manufactures and markets memory systems used with large-scale computers and with minicomputers in both the end-user and original equipment markets; manufactures and markets a series of computer systems that are compatible with several models of the IBM system 370 and 4300 computer families; markets memory sub-systems and components for incorporation into a variety of digital products manufactured by others.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CBEX (NASDAQ)

Number of Employees:

1984	N.A.	1982	103
1983	N.A.	1981	120

Plant Footage:

1984	N.A.	1981	55,000
1983	N.A.	1980	55,000
1982	55,000 sq. ft.		

N.A.-Not Available.

Sales and Earnings

	Revenues	Net Income +
1984	$ 5,667,015	$ 145,816
1983	4,494,435	(1,971,573)
1982	8,016,566	103,510
1981	8,047,755	435,119
1980	4,046,577	201,070

	No. of Com. Shares †	Earn. per Share + †
1984	1,844,000	$ 0.08
1983	1,804,000	—
1982	1,803,000	0.06
1981	1,820,000	0.24
1980	1,775,000	0.11

(Loss)
+ Including extraordinary credits of $47,000 ($0.03 per share) in 1984, $28,000 ($0.02 per share) in 1982, $157,000 ($0.09 per share) in 1981 and $922,251 ($0.52 per share) in 1980.

† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1984	$ 1,453,656	$ 0.79
1983	1,225,005	0.68
1982	3,171,249	1.76
1981	3,037,739	1.67
1980	2,583,393	1.46

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Aug. 31	1984	1983
Revenues	$ 5,667,015	$ 4,494,435
Cost of sales	3,534,227	4,127,984
Expenses	1,844,799	2,168,180
Oper. Income (Loss)	$ 287,989	$ (1,801,729)
Interest income	(19,221)	(28,417)
Interest expense	147,394	198,261
Income (loss) bef. taxes	$ 159,816	$ (1,971,573)
Income taxes	61,000	—
Net Income (Loss)	$ 98,816	$ (1,971,573)
Extraord. gain	47,000	—
Net Income (Loss) & extraord. gain	$ 145,816	$ (1,971,573)

* Included in Costs and Expenses, Depreciation and Amortization: $335,979 in 1984 and $400,236 in 1983.

Assets

As of Aug. 31	1984	1983
Cash	$ 308,563	$ 282,293
Receiv., net	575,405	441,932
*Inventories	2,339,932	2,398,952
Prepaid expenses	91,963	67,453
Current Assets	$ 3,315,863	$ 3,190,630
Leased equip.	70,708	53,138
#Fixed assets	863,121	1,132,992
Other assets	37,830	37,830
Total Assets	$ 4,287,522	$ 4,414,590

Liabilities

Notes payable	$ 480,000	$ 745,000
Long-term debt, curr.	156,948	195,183
Accts. payable	927,424	837,340
Accruals	948,251	983,157
Accrued payroll	43,849	48,632
Accrued interest	33,693	29,931
Income & other taxes	147,848	155,332
Curr. Liabilities	$ 2,738,013	$ 2,994,575
Long-term debt	95,853	195,010
+Common stock	190,577	185,988
Add. paid-in capital	10,796,866	10,724,541
Retained earnings (deficit)	(9,504,872)	(9,650,688)
Treasury stock	(28,915)	(34,836)
Total Liabilities & Shareholders' Equity	$ 4,287,522	$ 4,414,590

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.82	—
%Net Income to Revenues	1.74	—
%Net Income to Equity	6.80	—
Working Capital	$ 577,850	$ 196,055
Current Ratio	1.21	1.07
Shareholders' Equity	$1,453,656	$1,225,005

Canadian General Electric Company Limited

(91.9% owned by General Electric Company)

P.O. Box 417
Commerce Court North
25 King Street West
Toronto, Ontario, Canada M5L 1J2
(416) 365-6500

Officers: William R.C. Blundell, chairman & chief executive officer; Robert T.E. Gillespie, exec v.p.; Russell M. Baranowski, v.p.-lighting products; Max Drouin, v.p.-corporate customer relations; Merritt E. Gordon, v.p.-resources and power generation operations; Ivan R. Feltham, v.p., general counsel & secretary; Carl B. Haller, v.p. & treasurer; V. Gerold Stafl, v.p. & comptroller; Ian A. Bourne, v.p.-financial operations & analysis; Walter R. Fell, v.p.-hydro & mining; Terrance W. Sutherland, v.p.-materials and technical systems; Murray J. Stewart, v.p.-large motors & industrial electronics department; Harold G. Giles, v.p.-corporate human resource operation.

Directors: William F. McLean, D. Steele Curry, Frank P. Doyle, H. Ian Macdonald, Antoine Turmel, Denis W. Timmis, John A. Urquhart, William R.C. Blundell, Guy St.Germain, Ralph d. Ketchum, Louis V. Tomasetti.

Divisions:

Consumer and Construction Products Division

Manufactures, markets and services television, radios, stereos, kitchen and laundry appliances, room air conditioners, and portable electric housewares. Manufactures lamps. Manufactures and markets electric distribution equipment and devices, wire and cable, heating equipment, lighting equipment, cemented carbide tools, plastics, synthetic resins and silicones. Markets mobile radios, aerospace products and computer time-sharing services. Distributes electrical products to wholesale trade.

Apparatus and Heavy Machinery Division

Designs, manufactures, markets and services heavy apparatus for electric utilities and primary industries—turbines, generators, switchgear, circuit-breakers, transformers, electrical distribution equipment, process control equipment, motors, paper machines, grinding and rolling mills, mining machinery, drive systems, and other heavy machinery and components. Other products include transportation equipment, nuclear reactor fuel handling systems, meters, instruments and installation and service engineering.

Affiliated Companies:

Camco Inc.
Genelcom Limited
Dominion Engineering Company Limited
Canadian General Electric International Limited
Widney Well Servicing Inc.
Amalgamated Electric Corporation Limited
Cange Limited (U.K.)
Installations Benjamin, Inc.
Sheafer-Townsend Ltd.

Transfer Agent(s):

National Trust Company
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: CGET

Number of Employees:

1985	11,605	1982	17,638
1984	12,300	1981	19,987
1983	14,657		

Sales and Earnings

	Net Sales ‡‡	Net Income
1985	$1,493,700,000	$ 53,065,000
1984	1,417,700,000	39,802,000
1983	1,392,800,000	38,520,000
1982	1,633,800,000	44,104,000
1981	1,700,102,000	51,120,000

	No. of Com. Shares	Earn. per Share #
1985	8,178,800	$ 6.49
1984	8,178,000	4.87
1983	8,178,800	4.71
1982	8,178,800	5.39
1981	8,178,800	6.25

‡‡ Includes sales of products and services.
# Based on the number of common shares outstanding assuming conversion of all cumulative convertible preferred shares.

Revenues By Line of Business

	1985	1984
Elec. apparatus & components	$ 480,582,000	$ 451,302,000
Consumer prods. & services	646,012,000	618,123,000
Machinery, technical syst. & materials	395,653,000	378,490,000
Eliminations	(12,457,000)	(9,406,000)
Total	$1,509,790,000	$1,438,509,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.40	—	—
1984	2.40	—	—
1983	2.40	—	—
1982	2.30	—	—
1981	1.95	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 538,250,000	$ 65.81
1984	504,813,000	61.72
1983	484,639,000	59.26
1982	460,842,000†	56.35
1981	435,551,000†	53.25

† After allowing for preferred shares at redemption value of $50 per share.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales & services	$ 1,493,718	$ 1,417,708
Cost of sales & exp.	1,372,148	1,326,937
Depreciation	19,887	17,500
Interest expense	7,481	6,422
Misc. taxes	11,578	11,382
Other income	(16,072)	(20,801)
Income before taxes	$ 98,696	$ 76,268
Income taxes	36,554	29,557
Minority interest	9,077	6,909
Net Income	$ 53,065	$ 39,802

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 80,485	$ 14,494
Receiv., net	313,425	318,507
*Inventories	328,132	315,486
Deferred taxes	16,871	8,827
Current Assets	$ 738,913	$ 668,087
Investments	7,363	37,672
Long-term, receiv.	11,999	8,635
#Fixed assets	240,547	209,224
Oil & gas resource props.	74,657	73,100
Deferred charges & other assets	19,638	20,327
Total Assets	$ 1,093,117	$ 1,017,045

Liabilities
(000's)

Short-term borrowings	$ 4,665	$ 12,974
Accts. payable	101,814	114,435
Progress collections	112,322	86,525
Taxes payable	33,152	5,833
Other liabilities	153,192	145,272
Curr. Liabilities	$ 405,145	$ 365,039
Long-term borrowings	19,648	32,026
Accruals	24,139	22,603
Minority interest	34,819	27,800
Deferred inc. taxes	71,116	64,764
+ Common stock	26,942	26,942
Retained earnings	511,308	477,871
Total Liabilities & Shareholders' Equity	$ 1,093,117	$ 1,017,045

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.61	5.38
%Net Income to Sales	3.55	2.81
%Net Income to Equity	9.86	7.88
Sales to Inventories	4.55	4.45
Debt to Equity	0.05	0.09
Working Capital	$333,768,000	$300,027,000
Current Ratio	1.82	1.82
Shareholders' Equity	$538,250,000	$504,813,000

Canadian Marconi Company

2442 Trenton Avenue
Montreal, Quebec, Canada, H3P 1Y9
(514) 341-7630

Officers: James F. Grandy, chairman; P.E. Wheatley, president; J.G. McInnes, comptroller; J. Simons, exec. v.p.-electronic group; J.W. Dodds, v.p.-Special Services Div.; C. Filiatrault, v.p., secretary & general counsel; C. St. Arnaud, exec. v.p.-communications group; G. Stuurop, treasurer, Jean-Guy St. Germain v.p.-human resources; J.J. Kelly, v.p.-finance; L. Leveille, v.p.-Avionics Division; L. Noel, v.p.-Defense Communications Division; D. Rosenthal, v.p.-Components Division; P. Gasser, v.p.-Commercial Communications Division.

Directors: S. Dobb, I.D. Sinclair, T.S. Dobson, J.E. Pateman, R.O. Beauchemin, J.F. Grandy, P.E. Wheatley, P.P. Ralph, W.I.M. Turner, Jr., A.S, Walsh.

Areas of Work: Engaged in the manufacture of highly engineered electronic products for defense and civil use.

Divisions and Subsidiaries:

Avionics Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Engineering, manufacturing, marketing and servicing of Airborne Doppler Navigation systems, automatic Omega receivers. Area Navigation systems, Satellite position location equipment, aircraft instrumentation displays. Manufacturing and marketing printed wiring boards.

Commercial Communications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Engineering, manufacturing, marketing and servicing of mobile two-way radio and associated base station equipment, marine radar; VHF-FM marine radio telephones; HF single sideband transmitter-receivers. Marketing and servicing of handheld radio telephones, radio and television broadcast station equipment and electronic test instruments.

Special Services Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Installs radar, communications and air navigation equipment and systems, and operates defense communications and detection systems. Operates repair and overhaul shops for radar, sonar, communications equipment and diesel electric generators, and an approved test equipment repair and calibration laboratory.

Defense Communications Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Canadian Marconi Company

Engineering, manufacturing and marketing for commercial and military land-based microwave communications equipment, ancillaries, and associated supporting test equipment.

Components Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Designs, manufactures and markets electronic components including multi-layer printed circuit boards, thin film, thick film and hybrid microcircuits, magnetic devices, illuminated panels, alpha-numeric displays and power supplies.

Radar Division
2442 Trenton Avenue
Montreal, Quebec H3P 1Y9
(514) 341-7630

Develops, manufactures and markets surveillance radar transmitter/receivers, antennas, signal processing equipment and systems for commercial and military use on land and sea.

CMC Electronics, Inc.
20 Meridian Road
Eatontown, New Jersey 07724
(201) 389-2522

Sun World Circuits, Inc.
950 Sunshine Lane
Altamonte Springs, Florida 32701

Transfer Agent(s):

Montreal Trust Company
1 PlaceVille Marie
777 Dorchester Boulevard West
Montreal, Canada H3B 4A5

Stock Exchange(s): American, Montreal, Toronto

Ticker Symbol: CMW

Number of Employees:

1984	2,731	1981	2,500
1983	2,935	1980	2,200
1982	N.A.		

N.A. - Not Available.

Sales and Earnings ‡

	Revenues	Net Income
1985	$ 313,925,000	$ 52,088,000
1984	256,131,000	37,568,000
1983	198,627,000	18,790,000
1982	155,268,000	19,463,000
1981	129,417,000	13,547,000

	No. of Com. Shares +	Earn. per Share +
1985	23,772,768	$ 2.19
1984	23,772,768	1.58
1983	23,772,768	0.79
1982	23,772,768	0.82
1981	23,772,768	0.57

‡ In Canadian dollars.
+ Adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.27	—	—
1984	0.2325	—	4-for-1
1983	0.2125	—	—
1982	0.1750	—	—
1981	0.1250	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 176,972,000	$ 7.44
1984	131,303,000	5.52
1983	99,262,000	4.18
1982	85,524,000	3.60
1981	70,221,000	2.95

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended March 31	1985	1984
Revenues	$ 313,925	$ 256,131
Cost & expenses	232,864	194,198
Depreciation	8,713	7,054
Interest expense	410	462
Income before taxes	$ 71,938	$ 54,417
Income taxes	19,850	16,849
Net Income	$ 52,088	$ 37,568

Assets
(000's)

As of March 31	1985	1984
Cash & temp. invest.	$ 126,425	$ 78,839
Accts. receiv., net	40,605	40,759
Inc. taxes refundable	18,451	—
*Inventories	47,124	51,663
Prepaid expenses	492	517
Current Assets	$ 233,097	$ 171,778
#Fixed assets	28,598	24,544
Total Assets	$ 261,695	$ 196,322

Liabilities
(000's)

Accts. payable & accruals	$ 72,142	$ 52,736
Income taxes	5,189	4,258
Curr. Liabilities	$ 77,331	$ 56,994
Long-term debt	4,758	5,571
Deferred inc. taxes	2,634	2,454
+ Capital stock	10,216	10,216
Retained earnings	166,756	121,087
Total Liabilities & Shareholders' Equity	$ 261,695	$ 196,322

* At lower of cost or net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	22.92	21.25
%Net Income to Revenues	16.59	14.67
%Net Income to Equity	29.43	28.61
Working Capital	$155,766,000	$114,784,000
Current Ratio	3.01	3.01
Shareholders' Equity	$176,972,000	$131,303,000

Canrad Inc.

100 Chestnut Street
Newark, New Jersey 07105
(201) 589-4300

Officers: Carl N Singer, chairman of the board; Carl Krieger, president; Harry J. Shutt, exec. v.p. & treasurer; Richard W. Noble, controller & asst. secretary; Leonard Perre, v.p.-marketing; Daniel P. Lund, secretary.

Directors: Carl N. Singer, chairman; John F. Reed, Arthur O. Choate, Jr., Carl Krieger, Philip LeBoutillier, Jr., Jonathan P. Schwartz, Harry J. Shutt.

Divisions and Subsidiaries:

Hanovia lamp
Newark, New Jersey

Designs, develops and produces plasma arc lamps and related equipment including commercial and industrial ultraviolet products.

Strong International
Omaha, Nebraska

Designs, develops and manufactures projection systems and high intensity lighting equipment.

Ballantyne of Omaha, Inc.
Omaha, Nebraska

Manufactures 35mm and 70mm movie projectors, sound equipment, and theater automation equipment and a line of restaurant equipment.

Colight
Minneapolis, Minnesota

Manufactures and markets photo exposure equipment for printed circuit board manufacturing industry.

Special Products Manufacturing Inc.
Binghampton, New York

Manufactures, assembles and sells wave guides and other components for microwave transmissions, and offers machining, plating and assembly services on a contract basis.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CNRD (NASDAQ)

Number of Employees:

1985	457

Sales and Earnings

	Net Sales +	Net Income
1985	$ 29,652,000	$ 741,009
1984	27,167,000	889,334
1983	19,735,000	(300,226)
1982	18,429,000	392,000
1981	20,207,000	837,000

	No. of Com. Shares	Earn. per Share #
1985	904,985	$ 0.67
1984	896,135	0.81
1983	840,135	—
1982	816,000	0.31
1981	816,000	0.80

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Ultraviolet products	$ 13,630,840	$ 15,773,681
Theatre & restaurant prods.	10,380,776	9,790,254
Telecommunications prods.	4,076,464	—
Other	1,563,854	1,603,489
Total	$ 29,651,934	$ 27,167,424

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 6,388,686	$ 7.06
1984	5,684,249	6.34
1983	4,763,836	5.67
1982	5,140,907	6.30
1981	4,878,606	5.98

‡ After allowing for preferred stock at par value.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 29,651,934	$ 27,167,424
Cost of sales	21,980,115	19,987,744
Expenses	5,798,222	5,386,512
Interest expense	518,988	278,834
Income before taxes	$ 1,354,609	$ 1,514,334
Income taxes	613,600	625,000
Net Income	$ 741,009	$ 889,334

* Included in Costs and Expenses, Depreciation and Amortization: $444,659 in 1985 and $294,882 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 129,014	$ 134,725
Accts. receiv., net	4,825,349	3,572,592
Refundable inc. taxes	118,781	—
*Inventories	8,949,861	7,398,828
Other curr. assets	453,298	507,367
Current Assets	$ 14,476,303	$ 11,613,512
#Fixed assets	4,881,440	2,765,296
Other assets	51,650	16,387
Intangibles	445,007	463,679
Total Assets	$ 19,854,400	$ 14,858,874

Liabilities

Long-term debt, curr.	$ 376,172	$ —
Accts. payable	2,461,736	2,186,453
Accruals	1,464,008	921,450
Income taxes	114,709	436,178
Accrued plant clos.	71,895	349,744
Curr. Liabilities	$ 4,488,520	$ 3,893,825
Long-term debt	6,506,656	2,370,000
Deferred inc. taxes	624,038	875,800
Excess of vested benefits	—	100,000
+ Preferred stock	1,846,500	1,935,000
+ + Common stock	678,739	672,101
Add. paid-in capital	4,870,789	4,788,927
Ret. earnings	839,158	223,221
Total Liabilities & Shareholders' Equity	$ 19,854,400	$ 14,858,874

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value.
+ + $0.75 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.57	5.57
%Net Income to Sales	2.50	3.27
%Net Income to Equity	9.00	11.67
Sales to Inventories	3.31	3.67
Debt to Equity	0.79	0.31
Working Capital	$9,987,783	$7,719,687
Current Ratio	3.23	2.98
Shareholders' Equity	$8,235,186	$7,619,249

Carco Electronics

195 Constitution Drive
Menlo Park, California 94025
(415) 321-8174

Officers: John M. Carter, president & treasurer; William M. Schultz, v.p.-administration; Rudy Schneider, v.p.-engineering; John A. Watson, v.p.-new products; Samuel R. Curless, vice president-manufacturing; William M. Spont, vice president & technical asst.; Hugh D. Carter, v.p.-materiel; Helen D. Carter, secretary; Rochelle R. Schneider, assistant secretary.

Directors: John M. Carter, A. William Bloom, Emmet G. Cameron, Robert P. Nelson, Jr., Richard T. Orth.

Areas of Work: Two major product lines are flight motion simulators and microwave test systems.

Transfer Agent(s):

Carco Electronics
195 Constitution Drive
Menlo Park, California

Stock Exchange(s): Over-the-Counter

Plant Footage:

1985	20,000 sq. ft.	1982	20,000
1984	20,000	1981	20,000
1983	20,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 6,440,665	$ 286,577
1984	4,869,945	80,791
1983	5,452,717	405,709
1982	5,228,228	409,143
1981	5,033,774	458,801

	No. of Com. Shares +	Earn. per Share ‡
1985	401,510	$ 0.71
1984	401,010	0.20
1983	401,010	0.99
1982	398,100	1.01
1981	396,300	1.14

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
+ Class A and Class B combined adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.06	—	—
1984	0.12	—	—
1983	0.12	—	—
1982	0.12	—	2-for-1
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 2,361,046	$ 5.88
1984	2,097,592	5.23
1983	2,064,763	5.15
1982	1,697,746	4.26
1981	1,333,901	3.37

+ Based on Class A and Class B stock combined adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 6,440,665	$ 4,869,945
Cost of sales	4,515,088	3,616,607
Expenses	1,321,642	1,085,569
Interest expense	86,427	58,943
Income before taxes	$ 517,508	$ 108,826
Income taxes	230,931	28,035
Net Income	$ 286,577	$ 80,791

* Included in Costs and Expenses, Depreciation: $31,732 in 1985 and $21,771 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 16,417	$ 11,395
Accts. receiv.	783,378	1,329,403
Income tax receivable	—	169,900
Costs & earn. in exc. of billings	2,732,666	1,452,714
*Inventories	796,474	733,920
Prepaid expenses	31,699	31,119
Deferred inc. taxes	16,226	3,680
Current Assets	$ 4,376,860	$ 3,732,131
#Fixed assets	166,010	131,113
Other assets	11,450	14,350
Total Assets	$ 4,554,320	$ 3,877,594

Liabilities

Notes payable	$ 911,000	$ 955,000
Accrued income taxes	228,988	—
Accts. payable	310,504	287,615
Accruals	407,554	342,650
Billings in exc. of costs	328,463	192,461
Curr. Liabilities	$ 2,186,509	$ 1,777,726
Deferred inc. taxes	6,765	2,276
+ Capital stock:		
Class A	35,189	35,126
Class B	15,000	15,000
Add. paid-in capital	288,843	287,968
Retained earnings	2,022,014	1,759,498
Total Liabilities & Shareholders' Equity	$ 4,554,320	$ 3,877,594

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.125 stated value.

Statistical Summary

%Income bef. Taxes to Sales	8.04	2.23
%Net Income to Sales	4.45	1.66
%Net Income to Equity	12.14	3.85
Sales to Inventories	8.09	6.64
Debt to Equity	0.39	0.46
Working Capital	$2,190,351	$1,952,129
Current Ratio	2.00	2.10
Shareholders' Equity	$2,361,046	$2,097,592

Centronics Data Computer Corp.

One Wall Street
Hudson, New Hampshire 03051
(603) 883-0111

Officers: Thomas G. Kamp, chairman of the board; Robert Stein, president & chief executive officer; Ronald N. Fox, v.p.-operations; Robert W. Kilcullen, Jr., v.p.-marketing, sales, & customer service; Jeffrey Weinstein, exec. v.p. & general counsel; Richard A. Williams, v.p.-engineering; Donald L. O'Bryant, v.p.-quality assurance; Edmond M. Coller, secretary.

Directors: Thomas G. Kamp, chairman; Robert Stein, Larry E. Jodsaas, William F. Buster, Herbert M. Stein, Gordon Brown, Jack T. Jacob, Robert W. Kilcullen, Jr., Stephen D. Weinroth, Jeffrey A. Weinstein.

Areas of Work: Designs, manufactures and markets matrix and line printers, teleprinters and non-impact printers for the computer, data processing and communications industries.

Subsidiaries:

Advanced Terminals, Inc.
Centronics Data Computer (UK) Ltd.
Centronics Canada Inc.
Centronics Ireland B.V..
Centronics N.A., N.V.
Centronics Export Sales Corp.
Centronics Sales & Service Corp.
Centronics Research Inc.
Centronics Data Computer GmbH
Centronics Data Computer (France) S.A.
Centronics Data Computer (Italia)S.A.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: CEN

Sales and Earnings

	Net Revenues	Net Income †
12/29/85	$ 216,279,000	$ 648,000
12/30/84	171,504,000	(10,376)
1/1/84	164,129,000	(7,684)
1/2/83*	82,369,000	(18,609,000)
6/27/82	112,671,000	(18,309,000)

	No. of Com. Shares	Earn. per Share ‡†
12/29/85	12,366,0910	$ 0.05
12/30/84	11,461,708	—
1/1/84	11,208,230	—
1/2/83*	11,228,407	—
6/27/82	11,226,194	—

(Loss)
* 6 months.
† Including extraordinary gains of $415,000 ($0.03 per share) in 1985 and $324,000 ($0.03 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
12/29/85	$ 56,342,000	$ 4.56
12/30/84	53,115,000	4.63

1/1/84	60,766,000	5.42
1/2/83	67,761,000	6.03
6/27/82	85,969,000	7.66

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Revenues	$ 216,279	$ 171,504
Cost of sales	178,176	137,026
Expenses	33,461	35,874
Interest expense	3,514	2,643
Plant consolidation costs	—	5,800
Income (loss) bef. taxes	$ 1,128	$ (9,839)
Income taxes	895	861
Net Income (loss)	$ 233	$ (10,700)
Extraordinary gain	415	324
Net Income (loss) extraord. gain	$ 648	$ (10,376)

* Included in Costs and Expenses, Depreciation: $5,902,000 in 1985 and $5,635,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash & short-term invest.	$ 36,471	$ 17,033
Accts. receiv., net	31,379	30,212
Amts. due from stockholders	1,070	980
*Inventories	40,215	64,299
Prepaid expenses & other assets	1,264	1,158
Current Assets	$ 110,399	$ 113,682
#Fixed assets	24,563	28,471
Intangibles	2,525	2,267
Other assets	487	463
Deferred debenture	1,793	—
Total Assets	$ 139,767	$ 144,883

Liabilities
(000's)

Notes payable	$ —	$ 1,136
Long-term debt, curr.	143	36,869
Accts. payable	16,365	20,826
Amts.due to stockholders	428	862
Accruals	14,149	17,821
Income taxes	5,649	5,598
Curr. Liabilities	$ 36,734	$ 83,112
Long-term debt	46,691	8,656
+Common stock	124	115
Add. paid-in capital	74,897	71,815
Accum. deficit	(16,720)	(17,368)
Unearned comp.	(1,959)	(1,447)
Total Liabilities & Shareholders' Equity	$ 139,767	$ 144,883

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

% Income bef. taxes to sales	0.52	—
% Net income to sales	0.11	—
% Net income to empty	0.41	—
Working Capital	$73,665,000	$30,570,000
Current Ratio	3.01	1.37
Shareholders' Equity	$56,342,000	$53,115,000

Cetec Corporation

9900 Baldwin Place
El Monte, California 91731
(818) 442-8840

Mailing Address:

P.O. Box 5348
El Monte, California 91734

Officers: Hugh P. Moore, chairman; Robert A. Nelson, president & chief exec. officer; Rodney K. Madsen, Rodney C. Minium, Richard P. Drake, v.p.'s; George M. McCollister, secretary & treasurer; Theodore J. Budzan, Paul E. Sexton, asst. secretaries.

Directors: Hugh P. Moore, chairman; Richard A. Campbell, Robert C. Sherburne, John E. Fields, Richard C. Fuller, Robert A. Nelson, Edwin B. Kanner.

Areas of Work: Major business segments include communications and related products, and industrial products. Operations in the communications segment consist primarily of the design, manufacture and marketing of commercial sound products, wireless microphones, communication signaling products, professional audio duplicating equipment, loudspeakers, automatic pilots to the boating industry, computer software systems for distributors and manufacturers, and radio and television broadcast antennas. The industrial segment produces rigid, semi-rigid, and flexible extruded vinyl products having numerous applications, and a variety of injection molded products.

Divisions and Subsidiaries:

Cetec Anco Division
1720 North Santa Anita Avenue
South El Monte, California 91733
(818) 579-1900

Manufactures extruded vinyl products for construction, model homes, electronic and furniture industries.

Cetec Benmar Division
3000 West Warner Avenue
Santa Ana, California 92704
(714) 540-5120

Produces automatic pilots for the pleasure yachting and commercial markets.

Cetec Gauss Division
9130 Glenoaks Boulevard
Sun Valley, California 91352
(213) 875-1900

Professional audio and duplicating equipment, and loudspeakers.

Cetec Vega Division
P.O. Box 5348
9900 Baldwin Place
El Monte, California 91734
(818) 442-0782

Products include wireless microphone systems, microphones, tone and analog telemetry systems and components.

Cetec Antennas Division
6939 Power Inn Road
Sacramento, California 95828
(916) 383-1177

Produces circularly polarized FM and TV antennas, FM antennas, harmonic filters, military antennas, match diplexers, VSB filters, filterplexers, and special supporting towers.

Cetec International Ltd.
Unit 15, North Field Industrial Estate
Beresford Avenue
Wembley, Middlesex, England HAO 1YB

Markets and services U.S. built Cetec products lines in Europe.

Cetec Guardian Division
1428 North Manzanita Street
Orange, California 92667
(714) 633-3092

Supplies injection-molded plastic containers and components to the health care, and electronics industries.

Cetec Ivie
1366 West Center Street
Orem, Utah 84057
(801) 224-1800

Cetec Raymer
73155 Fulton Avenue
North Hollywood, California 91605
(818) 764-3434

Cetec Software Services
13047 Artesia Boulevard, Suite 204
Cerritos, California 90701
(213) 926-6537

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): American, Pacific

Ticker Symbol: CEC

Number of Employees:

1985	583	1982	569
1984	644	1981	543
1983	677		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 33,598,000	$ (1,258,000)
1984	35,859,000	1,961,000
1983	34,291,000	1,415,000
1982	27,789,000	889,000
1981	28,560,000	1,140,000

	No. of Com. Shares #	Earn. per Share #
1985	2,212,000	$ —
1984	2,269,000	0.86
1983	2,296,000	0.61
1982	2,214,000	0.40
1981	2,256,000	0.50

(Loss)
‡ Of continuing operations only.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Cetec broadcast group	$ 23,233,000	$ 22,416,000
Cetec industrial group	10,385,000	13,440,000
Miscellaneous & eliminations	(20,000)	3,000
Total	$ 33,598,000	$ 35,859,000

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1985	$ 13,413,000	$ 6.06
1984	16,250,000	7.16
1983	15,001,000	6.53
1982	13,845,000	6.25
1981	13,430,000	5.95

‡ After allowing for preferred shares at a redemption value of $10 per share.
# Based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 33,598,000	$ 35,859,000
Cost of sales	23,110,000	24,830,000
Expenses	8,076,000	8,383,000
Interest expense	823,000	772,000
Income before taxes	$ 1,589,000	$ 1,874,000
Income taxes	486,000	829,000
Inc. - cont. oper.	$ 1,103,000	$ 1,045,000
Inc. (loss)-discont. oper.	(2,361,000)	916,000
Net Income (Loss)	$ (1,258,000)	$ 1,961,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,120,000 in 1985 and $968,000 in 1984.

Assets

	1985	1984
Cash	$ 2,801,000	$ 1,778,000
Accts. receiv., net	3,587,000	7,713,000

Refund. inc. taxes	1,839,000	—
*Inventories	3,313,000	14,008,000
Prepaid expenses	995,000	864,000
Assets of discont. oper	6,384,000	—
Current Assets	$ 18,919,000	$ 24,363,000
#Fixed assets	5,856,000	6,714,000
Other assets	148,000	287,000
Intangibles	310,000	450,000
Total Assets	$ 25,233,000	$ 31,814,000

Liabilities

Long-term debt, curr.	$ 439,000	$ 474,000
Accts. payable	1,812,000	4,116,000
Accruals	1,669,000	1,974,000
Accrued payroll	1,041,000	1,460,000
Income taxes	226,000	326,000
Curr. Liabilities	$ 5,187,000	$ 8,350,000
Long-term debt	5,944,000	6,386,000
Deferred inc. taxes	539,000	520,000
Deferred credit	40,000	148,000
+ Preferred stock	110,000	160,000
+ + Common stock	636,000	630,000
Add. paid-in capital	5,612,000	5,424,000
Retained earnings	7,165,000	10,196,000
Total Liabilities & Shareholders' Equity	$ 25,233,000	$ 31,814,000

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $10 par value.
+ + No par value.

Statistical Summary

%Net Income to Equity	—	11.95
Sales to Inventories	10.14	2.56
Debt to Equity	0.47	0.42
Working Capital	$13,732,000	$16,013,000
Current Ratio	3.65	2.92
Shareholders' Equity	$13,523,000	$16,410,000

Chelsea Industries, Inc.

1360 Soldiers Field Road
Boston, Massachusetts 02135
(617) 787-9010

Officers: Ronald G. Casty, chairman of the board & president; Norman S. Dunn, exec. v.p. & treas.; David L. Phillips, v.p.-plastic products; Edward Kahn, corp. controller; Emil S. Bernstein, v.p.-finance & corp. development; Milton A. Graff, v.p.-control & administration; Robert M. Rosen, clerk; Gerald A. Denhardt, v.p.-distribution.

Directors: Ronald G. Casty, Robert D. Buzzell, Daniel Coven, Gilbert Freeman, David L. Phillips, James S. Shulman, Norman S. Dunn, Harold R. Logan, A.M. MacKinnon.

Divisions and Subsidiaries:

Distribution Group

RS Electronics, Inc.
Livonia, Michigan

Olive/RS Electronics
St. Louis, Missouri

Fairmont Electronic Sales Corp.
Hauppauge, New York

R^2 Electronics
Andover, Massachusetts

Broad-line distributors of industrial electronic components sold primarily to industrial organizations, OEM's and dealers. Products include semiconductors, integrated circuits, electromechanical devices (such as relays, switches, connectors, wire and cable), passive components (including resistors and capacitors) and other such related products as micro-systems, computers and test instruments.

Industrial Products Group

Ideal Tape Co. Division
Lowell, Massachusetts 01853
(617) 458-6833
St. Louis, Missouri 63103
Renaix, Belgium

Manufactures pressure sensitive tapes used to reinforce footwear and other adhesive products used in applications for the computer, athletic, and heating, ventilating and air conditioning industries.

Progressive Service Company
St. Louis, Missouri 63103
(314) 531-4300
Harrisburg, Pennsylvania 17105
Jacksonville, North Carolina 28540
Los Angeles, California

Produces cutting dies used by footwear, apparel, paper, light wood and metal manufacturers.

The Plastics Group

Maynard Plastics, Inc.
Salem, Massachusetts 01970
(617) 744-8000
Pittsburgh, Pennsylvania and Peabody, Massachusetts

Manufactures flexible and rigid plastic profile extrusions used in applications including simulated wood trim, weather stripping, trim for luggage and automobile interiors, carriers for integrated circuits, plastic net for product bags, garment bags and high density retail merchandise bags. Also extrudes rigid vinyl replacement window systems components.

Webster Industries, Inc.
Macomb, Illinois
Montgomery, Alabama
Peabody, Massachusetts 01960
(617) 532-2000

Polyethylene film for food, textile, dry cleaning and other packaging requirements.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: CHD

Sales and Earnings

	Net Sales #	Net Income
1985	$ 184,527,000	$ 6,423,000
1984	199,605,000	5,784,000
1983	145,505,000	5,678,000
1982	143,409,000	5,174,000
1981	158,049,000	3,641,000

	No. of Com. Shares +	Earn. per Share +
1985	2,562,000	$ 2.51
1984	2,634,000	2.20
1983	2,654,000	2.14
1982	2,209,000	2.34
1981	2,256,000	1.61

# Of continuing operations only.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Plastic prods.	$ 110,162	$ 105,917
Narrow fabrics	38,209	60,055
Distribution	36,156	33,633
Total	$ 184,527	$ 199,605

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.705	—	—
1984	0.66	—	—
1983	0.645	—	—
1982	0.60	—	—
1981	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 50,708,000	$ 19.79
1984	45,724,000	17.36
1983	44,235,000	16.67
1982	35,291,000	15.98
1981	44,673,000	19.80

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	9/28/85	9/29/84
Net sales	$ 184,527	$ 199,605
Cost of sales	125,085	145,674
Expenses	46,118	42,530
Interest & debt exp.	438	992
Income before taxes	$ 12,886	$ 10,409
Income taxes	6,463	4,625
Net Income	$ 6,423	$ 5,784

* Included in Costs and Expenses, Depreciation: $3,270,000 in 1985 and $3,071,000 in 1984.

Assets
(000's)

As of	9/28/85	9/29/84
Cash	$ 20,217	$ 5,043
Accts. receiv., net	24,351	28,935
*Inventories	24,295	30,366
Prepaid expenses	2,792	3,413
Current Assets	$ 71,655	$ 67,757
#Fixed assets	19,488	17,883
Other assets	3,106	2,367
Intangibles	2,632	3,113
Total Assets	$ 96,881	$ 91,120

Liabilities
(000's)

Long-term debt, curr.	$ 1,860	$ 1,850
Accts. payable	16,189	18,576
Accruals	4,974	5,554
Income taxes	3,783	3,100
Curr. Liabilities	$ 26,806	$ 29,080
Long-term debt	17,631	14,825
Deferred inc. taxes	1,736	1,491
+ Common stock	3,377	3,364
Add. paid-in capital	13,049	12,631
Retained earnings	41,941	37,325
Treasury stock	(7,659)	(7,596)
Total Liabilities & Shareholders' Equity	$ 96,881	$ 91,120

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.98	—
%Net Income to Sales	3.48	—
%Net Income to Equity	12.67	12.65
Sales to Inventories	7.60	6.57
Debt to Equity	0.38	0.07
Working Capital	$44,849,000	$38,677,000
Current Ratio	2.67	2.33
Shareholders' Equity	$50,708,000	$45,724,000

Chrysler Corporation

P.O. Box 1919
Detroit, Michigan 48288
(313) 956-5252

Officers: Lee A. Iacocca, chairman of the board & chief exec. officer; Gerald Greenwald, chairman-Chrysler Motors; Harold K. Sperlich, president-Chrysler Motors; Richard E. Dauch,

Chrysler Corporation

exec. v.p.-manufacturing-Chrysler Motors; Stephan Sharf, exec. v.p.-international business development; Bennett E. Bidwell, vice chairman; R.S. Miller, Jr., vice chairman; Joseph A. Campana, v.p.-marketing-Chrysler Motors; Robert A. Perkins, v.p.-Washington affairs; Robert M. Sinclair, v.p.-engineering; Christopher J. Steffen, exec. v.p.-finance-Chrylser Motors; Ronald L. Stewart, v.p.-body and assembly operations; Baron K. Bates, v.p.-public relations; George F. Butts, v.p.-quality & productivity; M.J. Closs, v.p.-Chrysler Motors, pres.-Chrysler Canada; Thomas G. Denomme, v.p.-corp. strategic planning; Richard Goodyear, v.p., gen. counsel & sec.; E.T. Pappert, group v.p.-sales, Chrysler Motors; L. Donald Gschwind, v.p.-program management-Chrysler Motors; Jerry L. Mathis, v.p.-Chrysler Motors & managing dir.-Chrysler de Mexico S.A.; Thomas W. Miner, v.p.-Chrysler Motors; David R. Platt, v.p.-procurement & supply; Lee H. Runk, v.p.-component business operations; Glenn E. White, v.p.-personnel & organization; John D. Withrow, Jr., exec. v.p.-product development; Frederick W. Zuckerman, v.p. & treasurer; Erick A. Reickert, v.p.-advance product planning; T.C. Gale, v.p.-product design, Chrysler Motors; G.J. Giocondi, v.p.-service & parts operations, Chrysler Motors; A.P. St. John, v.p.-industrial relations, Chrysler Motors; J.L. Tolley, v.p.-public affairs; J.B. York, v.p.-advance manufacturing operations, Chrysler Motors.

Directors: Lee A. Iacocca, chairman of the board; J. Paul Bergmoser, A. Jean de Grandpre, Najeeb E. Halaby, Anthony J.A. Bryan, Harold K. Sperlich, Joseph A. Califano, Jr., Stephan Sharf, J. Paul Sticht, Gerald Greenwald, Lilyan H. Affinito, Bennett E. Bidwell, Ronald H. Grierson, Juanita M. Kreps, William G. Milliken, Malcolm T. Stamper, Owen F. Bieber, John H. Johnson, Robert J. Lanigan, Robert S. Miller, Jr., Allen E. Paulson.

Areas of Work: Products include cars, trucks, automotive parts and accessories, defense and space products, outboard motors, inboard marine engines and industrial engines, power metal products and chemical products.

Operational Groups:

Chrysler Motors
Chrysler Financial Corporation
Gulfstream Aerospace Corporation
Chrysler Technologies

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
New York, New York

Montreal Trust Company
Montreal and Toronto, Canada

Stock Exchange(s): New York, Midwest, Philadelphia, Pacific, Montreal, Toronto, Paris, London, Frankfurt, Geneva, Basel, Zurich.

Ticker Symbol: C

Number of Employees:

1985	107,850	1982	73,714
1984	100,435	1981	87,825
1983	81,478		

Plant Footage:*

1985	57,092,500 sq.ft.	1982	N.A.
1984	55,788,400	1981	61,523,000
1983	56,521,900		

* In United States only.
N.A. - Not Available.

Sales and Earnings

	Net Sales + (000's)	Net Income † (000's)
1985	$ 21,255,500	$ 1,635,200
1984	19,572,700	2,380,000
1983	13,263,800	700,900
1982	10,056,500	170,100
1981	9,971,600	(475,600)

	No.of Com. Shares ‡	Earn. per Share ‡†
1985	174,284,000	$ 9.38
1984	185,762,000	12.59
1983	174,059,000	3.86
1982	115,050,000	1.23
1981	105,450,000	—

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.
† Including extraordinary gains of $883,900,000 ($4.73 per share) in 1984, $399,000,000 ($2.29 per share) in 1983 and $66,900,000 ($0.58 per share) in 1982.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.67	—	3-for-2
1984	0.57	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 4,215,300	$ 24.19
1984	3,305,900	17.80
1983	1,143,100	6.57
1982	(329,800)	—
1981	(539,500)	—

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 21,255,500	$ 19,572,700
Eq. in net earn. of unconsol. subsid.	255,900	126,100
Other income	41,700	18,400
Total income	$ 21,553,100	$ 19,717,200
Cost of sales	17,467,700	15,528,200
Expenses	1,144,400	987,700
Depreciation & amortization	476,300	554,400
Pension benefit	219,800	267,300
Interest (income)	(124,900)	(50,700)
Inc. bef. taxes	$ 2,369,800	$ 2,430,300
Income taxes	734,600	934,200
Net Income	$ 1,635,200	$ 1,496,100
Extraord. gain	—	883,900
Net Income & extraord. gain	$ 1,635,200	$ 2,380,000

Assets
(000's)

As of Dec. 31	1985	1984
Cash & time deposits	$ 147,600	$ 75,200
Marketable securities	2,649,900	1,624,900
Accts. receiv. net	207,500	332,200
*Inventories	1,862,700	1,625,900
Prepaid pension expense	260,000	243,000
Prepaid expenses	185,800	78,700
Current Assets	$ 5,313,500	$ 3,979,900
Investments & other assets	2,652,200	1,369,600
#Fixed assets	4,639,600	3,713,200
Total Assets	$ 12,605,300	$ 9,062,700

Liabilities
(000's)

Long-term debt, curr.	$ 101,600	$ 42,800
Accts. payable	2,504,500	2,323,000
Short-term debt	195,300	6,700
Dealer & cust. allow.	393,200	361,200
Employee comp.	730,600	890,000
Income taxes	117,100	13,600
Other taxes	195,700	180,700
Other liabilities	491,200	297,700
Curr. Liabilities	$ 4,729,200	$ 4,115,700
Long-term debt	2,366,100	760,100
Def. empl. benefit plan	298,400	362,300
Other liab.	604,500	497,000
Deferred income taxes	391,800	21,700
+Common stock	153,200	123,900
Add paid-in capital	1,943,200	2,325,300
Retained earnings	2,153,300	921,200
Treasury Stock	(34,400)	(64,500)
Total Liabilities & Shareholders' Equity	$ 12,605,300	$ 9,062,700

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.15	12.,42
%Net Income to Sales	7.69	7.64
%Net Income to Equity	38.79	45.26
Sales to Inventories	11.41	12.04
Debt to Equity	0.56	0.24
Working Capital	$ 584,300,000	$ 135,800,000
Current Ratio	1.12	0.97
Shareholder's Equity	$4,215,300,000	$3,305,900,000

Ciprico Inc.

2955 Xenium Lane
Plymouth, Minnesota 55441
(612) 559-2034

Officers: Ronald B. Thomas, chairman, president & chief exec. officer; Michael L. Quealy, v.p.-research & development & secretary; James P. Henninger, v.p.-finance & administration & chief financial officer.

Directors: Ronald B. Thomas, chairman of the board; Michael L. Quealy, W. Ray Allen, Sherman J. Kemmer, Douglas M. Pihl, Donald H. Soukup.

Areas of Work: Develops and manufactures high-performance controller boards for the microcomputer original equipment manufacturer market.

Subsidiaries:

Tech-Source Laboratories, Inc.
1175 Spring Center South Blvd.
Suite D
Altamonte Springs, Florida 32714

Develops and designs high-performance microcomputer products.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPCI (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1985	$ 8,171,392	$ 821,208
1984	7,618,998	1,361,341
1983	3,586,475	596,462
1982	1,571,116	180,553
1981	339,235	(140,497)

	No. of Com. Shares ‡	Earn. per Share †‡
1985	2,058,131	$ 0.40
1984	2,057,775	0.66
1983	2,042,936	0.30
1982	1,966,764	0.12
1981	622,380	—

(Loss)
† Including extraordinary gain of $67,000 ($0.03 per share) in 1982.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	11-for-10

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 9,753,265	$ 4.74
1984	8,901,058	4.33
1983	7,280,892	3.56
1982	18,630	0.01
1981	(161,923)	—

(Deficit)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 8,171,392	$ 7,618,998
Cost of sales	3,536,635	3,027,834
Expenses	3,864,981	2,797,096
Interest expense	—	2,512
Interest income	(550,753)	(569,785)
Loss on market secur.	99,321	—
Income before taxes	$ 1,221,208	$ 2,361,341
Income taxes	400,000	1,000,000
Net Income	$ 821,208	$ 1,361,341

* Included in Costs and Expenses, Depreciation: $327,677 in 1985 and $170,048 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 398,888	$ 153,833
Temp. cash invest.	3,195,594	5,349,908
Marketable securities	2,649,224	500,060
Accts. receiv., net	1,276,447	1,615,100
Refundable taxes	32,069	—
Other receivables	53,347	94,998
*Inventories	1,231,019	1,571,866
Other curr. assets	54,438	17,579
Current Assets	$ 8,891,026	$ 9,303,344
#Fixed assets	1,168,928	952,574
Other assets	73,000	—
Total Assets	$ 10,132,954	$ 10,255,918

Liabilities

	1985	1984
Accts. payable	$ 194,883	$ 337,686
Accrued compensation	103,872	138,922
Other accruals	23,934	86,966
Curr. Liabilities	$ 322,689	$ 1,274,860
Deferred inc. taxes	57,000	80,000
+ Common stock	6,956,624	6,925,625
Retained earnings	2,796,641	1,975,433
Total Liabilities & Shareholders' Equity	$ 10,132,954	$ 10,255,918

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	14.94	30.99
%Net Income to Sales	10.05	17.87
%Net Income to Equity	8.42	15.29
Sales to Inventories	6.64	4.85
Working Capital	$8,568,337	$8,028,484
Current Ratio	27.55	7.30
Shareholders' Equity	$9,753,265	$8,901,058

Clarostat Mfg. Co., Inc.

Washington Street
Dover, New Hampshire 03820
(603) 742-1120

Officers: Glen E. Swanson, chairman of the board and president; Russell E. White, exec. v.p.; Frank L. Ward, v.p.; Arthur Richenthal, secretary & treasurer.

Directors: Steven F. Gross, Arthur Richenthal, Glen E. Swanson, Russell E. White.

Areas of Work: Engaged in the manufacture and sale of resistors, rheostats, potentiometers, resistor networks, switches in both wire wound and conductive plastic forms. Also engaged in the design, development and manufacture of electromechanical switching devices.

Subsidiaries:

Clarostat-Richmond, Inc.
Richmond, Maine 04357
(603) 742-1120

Clarostat-Gorham, Inc.
Gorham, Maine 04038
(603) 742-1120

Clarostat-Norway, Inc.
Norway, Maine 04062
(603) 742-1120

Mason Electric Company, Inc.
440 West Los Feliz Road
Glendale, California 90024
(818) 240-6800

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: CLR

Number of Employees:

1985	624	1982	700
1984	688	1981	750
1983	629		

Plant Footage:

1985	384,000 sq. ft.	1982	384,000
1984	384,000	1981	384,000
1983	384,000		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 27,175,414	$ 1,913,085
1984	27,601,007	1,765,959
1983	23,283,551	1,268,165
1982	21,594,526	737,603
1981	21,483,507	638,261

	No. of Com. Shares +	Earn. per Share +
1985	466,977	$ 4.03
1984	476,094	3.71
1983	476,094	2.66
1982	508,493	1.45
1981	554,194	1.15

‡ Includes other revenues; of continuing operations only.
+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.90	—	—
1984	0.70	—	—
1983	0.30	—	—
1982	0.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 11,883,509	$ 25.45
1984	10,738,085	22.55
1983	9,305,392	19.55
1982	8,180,055	16.09
1981	9,362,055	16.89

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended	12/28/85	12/29/84
Net sales & other revenues	$ 27,175,414	$ 27,601,007
Cost of sales	18,736,328	19,067,707
Expenses	4,084,068	4,316,186
Research & develop.	642,946	659,641
Interest expense	23,987	21,014
Income before taxes	$ 3,688,085	$ 3,536,459
Income taxes	1,775,000	1,770,500
Net Income	$ 1,913,085	$ 1,765,959

* Included in Costs and Expenses, Depreciation: $517,837 in 1985 and $501,394 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	$ 1,814,343	$ 576,284
Cert. of deposit	2,275,000	1,578,000
Market. secur.	691,174	641,774
Accts. receiv., net	3,210,343	3,592,139
*Inventories	3,664,870	4,480,558
Prepaid expenses & sundry receiv.	530,754	612,081
Current Assets	$ 12,186,484	$ 11,480,836
#Fixed assets	2,167,640	2,104,989
Total Assets	$ 14,354,124	$ 13,585,825

Liabilities

	12/28/85	12/29/84
Long-term debt, curr.	$ 30,000	$ 30,000
Accts. payable	514,290	526,670
Accrued payrolls & other expenses	1,282,966	1,412,176
Income taxes	114,059	364,694
Curr. Liabilities	$ 1,941,315	$ 2,333,540
Long-term debt	240,000	270,000
Deferred inc. taxes	289,300	244,200
+ Common stock	466,977	476,094
Add. paid-in capital	825,695	841,815
Retained earnings	10,590,837	9,420,176
Total Liabilities & Shareholders' Equity	$ 14,354,124	$ 13,585,825

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	12/28/85	12/29/84
%Income bef. Taxes to Sales	13.57	12.81
%Net Income to Sales	7.04	6.40
%Net Income to Equity	16 10	16.45
Debt to Equity	0.02	0.03
Working Capital	$10,245,169	$ 9,147,296
Current Ratio	6.28	4.92
Shareholders' Equity	$11,883,509	$10,738,085

CMX Corporation

(60.0% owned by Chryon Corporation)

2230 Martin Avenue
Santa Clara, California 95050
(408) 988-2000

Officers: Sam R. Goodman, chairman, president & chief exec. officer; Stanley D. Becker, v.p.; Richard G. Canfield, v.p.; Lawrence Weiland, v.p.; Craig M. Hutchison, acting secretary, treasurer & controller.

Directors: Sam R. Goodman, chairman; Michael H. Gault, E. Laurence Gay, Alfred O.P. Leubert, Burton I. Lippman, John H. Picou, Leon Weissman, Joseph L. Scheuer.

CMX Corporation

Areas of Work: Engaged in the design, manufacture and installation of computer-assisted videotape editing systems for network television facilities, educational and commercial television stations, governmental agencies, and post-production facilities that provide editorial services in support of television broadcast operations.

Transfer Agent(s):

Bank of America
Corporation Agency Service Center
San Francisco, California 94137

Stock Exchange(s): American

Ticker Symbol: CXC

Sales and Earnings

	Net Sales +	Net Income + ‡
1985*	$ 4,554,000	$ (1,012,000)
1984	9,716,000	(2,260,000)
1983	10,033,000	(1,390,000)
1982	11,433,000	(4,915,000)
1981	10,775,000	(320,000)

	No. of Com. Shares	Earn. per Share †
1985*	3,793,389	$ —
1984	3,793,389	—
1983	2,294,000	—
1982	2,286,000	—
1981	2,190,000	—

(Loss)
* 6 months.
+ Of continuing operations only.
‡ Including extraordinary gain of $162,000 ($0.07 per share) in 1984.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,044,000	$ 0.11
1984	2,004,000	0.53
1983	1,440,000	0.63
1982	2,060,000	0.90
1981	6,075,000	2.77

Income Account *

Year ended Dec. 31	1985 (6 months)	1984
Net sales	$ 4,554,000	$ 9,716,000
Cost of sales	2,641,000	5,737,000
Expenses	2,585,000	4,774,000
Interest expense	288,000	860,000
Special charges	52,000	767,000
Net Loss	$ (1,012,000)	$ (2,422,000)
Extraord. gain	—	162,000
Net Loss & extraord. gain	$ (1,012,000)	$ (2,260,000)

* Included in Costs and Expenses, Depreciation and Amortization: $171,000 in 1985 and $415,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 124,000	$ 1,497,000
Accts. receiv., net	2,405,000	3,544,000
*Inventories	2,950,000	2,652,000
Prepaid expenses	267,000	107,000
Current Assets	$ 5,746,000	$ 7,800,000
#Fixed assets	1,037,000	852,000
Other assets	100,000	119,000
Total Assets	$ 6,883,000	$ 8,771,000

Liabilities

Notes payable	$ 1,139,000	$ 1,552,000
Accts. payable	923,000	1,538,000
Accruals	708,000	505,000
Sales tax payable	223,000	248,000
Emp. contracts - former off.	187,000	231,000
Accrued salaries and wages	221,000	220,000
Long-term debt, curr.	327,000	298,000
Curr. Liabilities	$ 3,728,000	$ 4,592,000
Long-term debt	2,065,000	2,037,000
Emp. contracts - former off.	46,000	138,000
+Common stock	13,142,000	13,090,000
Accumulated deficit	(12,098,000)	(11,086,000)
Total Liabilities & Shareholders' Equity	$ 6,883,000	$ 8,771,000

* At lower of cost (FFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	1.54	3.66
Debt to Equity	3.07	1.79
Working Capital	$2,018,000	$3,208,000
Current Ratio	1.54	1.70
Shareholders' Equity	$1,044,000	$2,004,000

Cognitronics Corporation

25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Officers: David H. Shepard, president and chief executive officer; William J. Lawless, Jr., chairman; Matthew J. Flanigan, exec. v.p. & chief operating officer; Edward E. Alexander, Jr., sr. v.p.; Edward J. Gushue, v.p.-international operations; D. Clark Murphy, v.p.-govt. & OEM sales; Gerard Insolia, v.p.-engineering; Alton B. Duncanson, v.p.-support services; Harold F. Mayer, secretary & treasurer.

Directors: David H. Shepard, Edward J. Gushue, William J. Lawless, Jr., Richard K. Van Nostrand, Edward S. Davis, Anthony E. Fahnestock, Matthew J. Flanigan.

Areas of Work: The Company operates in three principal industries: computer related products and services, manufacture of machined parts, and printing. The Company's computer related products and services division manufactures and markets Optical Character Recognition and Mark Read (OCR/OMR) equipment and voice response devices and specialized turnkey computer systems. The Company's machined parts division manufactures precision machined parts for the Company's computer related products and services division as well as other manufacturers. This includes the design and development of special tools, dies, and prototype parts, and the volume production of precision parts. The Company's printing division prints business forms, including OCR/OMR forms.

Divisions and Subsidiaries:

OCR/OMR Scanning Divisions
Data Scan Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307

Speechmaker Division
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
Manufactures and markets hardware that allows telephone companies central offices and computers to provide direct voice response of the data retained in their stored memories.

Stamford Tool & Die-Customatic, Inc.
25 Crescent Street
Stamford, Connecticut 06906
(203) 327-5307
Manufactures machine parts and designs and develops special tools, dies, and phototype parts with heavy emphasis on high tolerance precision works.

American Computer Corporation
The company has developed a multi-user, true data base software system of its own design and has been applying it to the accounting and patient information management problems of physician and dentist.

Reed Printing, Inc.
Commercial printer with full range of presses and equipment for printing business forms.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York

Stock Exchange(s): American

Ticker Symbol: CGN

Number of Employees:

1985 211

Plant Footage:

1985 . . . . . . 88,860 sq. ft.

Sales and Earnings

	Revenues +	Net Income
1985	$ 16,115,000	$ (331,000)
1984	14,876,757	(1,859,380)
1983	13,833,466	894,916
1982	11,796,954	437,129
1981	10,505,350	356,136

	No. of Com. Shares	Earn. per Share ‡
1985	2,145,057	$ —
1984	2,142,120	—
1983	2,085,015	0.48
1982	1,568,139	0.28
1981	1,557,466	0.23

(Loss)
+ Includes net sales, rentals and other income.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 9,782,000	$ 4.56
1984	10,102,978	4.72
1983	11,631,148	5.58
1982	4,891,913	3.12
1981	4,424,685	2.84

Income Account

Year ended Dec. 31	1985	1984
Net sales	$ 13,948,000	$ 12,964,909
Other income	2,167,000	1,911,848
Total income	$ 16,115,000	$ 14,876,757
Cost of sales & service	10,740,000	9,995,743
Expenses	5,615,000	5,699,851
Interest expense	190,000	62,725
Cost in exc. of assets acq.	—	1,652,818
Loss bef. taxes	$ (430,000)	$ (2,534,380)
Tax credit	(99,000)	(675,000)
Net Loss	$ (331,000)	$ (1,859,380)

Assets

As of Dec. 31	1985	1984
Cash	$ 234,000	$ 241,817
Accts. receiv., net	4,100,000	3,515,994
Refundable income taxes	—	615,226
*Inventories	5,327,000	4,623,616
Investments, curr.	266,000	211,549
Other assets	188,000	290,143
Deferred income taxes	—	361,000
Current Assets	$ 10,115,000	$ 9,859,345
Investments, non-curr.	502,000	320,913
#Fixed assets	3,237,000	3,365,666
Deposits & other assets	445,000	506,609
Total Assets	$ 14,299,000	$ 14,052,533

Liabilities

Notes payable	$ 2,305,000	$ 1,000,000
Accts. payable	1,042,000	1,132,985
Income taxes	19,000	—
Accruals	887,000	941,510'
Due to affiliates	—	200,860
Long-term debt, curr.	83,000	66,950
Curr. Liabilities	$ 4,336,000	$ 3,342,305
Deferred income taxes	—	427,000
Long-term debt	181,000	180,250
+Common stock	429,000	428,424
Add. paid-in capital	12,891,000	12,881,303
Deficit	(3,538,000)	(3,205,749)
Total Liabilities & Shareholders' Equity	$ 14,299,000	$ 14,052,533

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

Sales to Inventories	2.62	2.80
Debt to Equity	0.25	0.12
Working Capital	$5,779,000	$ 6,517,040
Current Ratio	2.33	2.95
Shareholders' Equity	$9,782,000	$10,102,978

Coherent, Inc.

3210 Porter Drive
P.O. Box 10321
Palo Alto, California 94303
(415) 493-2111

Officers: James L. Hobart, chairman of the board; Henry E. Gauthier, president & chief exec. officer; John C. Moore, v.p. & gen. mgr.-Medical Group; Robert J. Quillinan, v.p. & chief financial officer; Donald W. Bennett, v.p. & president-Coherent General; Ronald M. Paitich, v.p. & gen. mgr.-Components Group; Albert D. Battista, v.p. & v.p.-Coherent General; Lawrence W. Sonsini, secretary; Dennis Bucek, treasurer & asst. secretary.

Directors: James L. Hobart, Franklin P. Johnson, Jr., Theo H. McCourtney, Jr., Henry E. Gauthier, Charles W. Cantoni, Thomas Sloan Nelsen.

Areas of Work: Design, manufacture and sale of commercial lasers, optics, accessories and laser-based products for medical, construction, scientific and industrial markets.

Divisions and Subsidiaries:

Medical Group
3270 W. Bayshore Road
P.O. Box 10122
Palo Alto, California 94303
(415) 858-2250

Develops, manufactures and markets laser instruments for both the diagnosis and treatment of illness.

Components Group
2301 Lindbergh Street
Auburn, California 95603
(916) 823-9550

Develops and manufactures standard products which combine state-of-the-art electronics with technologies in lasers and optics for OEM and industrial applications. Products include scanners for reading Universal Product Code (UPC) labels in supermarket electronic point-of-sale systems, and bar code readers.

Scanning Systems Division
3750 Monroe Avenue
Pittsford, New York 14534
(716) 248-8480

Prototype and special purpose lenses to the optical instrument field and to a variety of lens users; laser scanners and laser accessories, optical accessories used with lasers and associated technologies.

Lambda Physik GmbH
Hans Boeckler Strasse 12
3400 Gottingen, West Germany
0551-69380

Coherent Japan Company, Ltd.
203 Crescent Plaza
4-6 Minami-Aoyama 2-Chome
Akasaka, Minato Ku
Tokyo 107, Japan
(03)-402-1963

Coherent General, Inc.
1 Picker Road
Sturbridge, Massachusetts 01566
(617) 347-2681

Coherent (UK) Ltd.
Cambridge Science Park
Milton Road
Cambridge CB4 4BH, England
(0223) 68501

Coherent GmbH
Senefelfer Str. 10
6074 Rodermark 2
Ober-Roden, West Germany

Lambda Physik
298 Great Road
Acton, Massachusetts 01720
(617) 263-1100

Coherent General GmbH
Hertzstrasse 6
8047 Munchen (Karlsfeld)
West Germany
81-31-9021

Laser Systemes SA
3a 15, Rue Denis-Papin
F-95250 Beauchamp
France
13- 995-79-11

Coherent General S.A.
222 Ave. de Broqueville
B-1200 Brussels
Belgium
2-771-21-66

Coherent Miyama Co., Ltd.
3537 Bijogi
Toda-Shi
Saitama 335
Japan
(484) 21-8531

Coherent Kowa, Ltd.
24-3, Nishi-Hashimoto-1-Chome
Sagiamihara-SHi, Kanagawa-Ken
Japan
(47)71-1672

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: COHR (NASDAQ)

Number of Employees:

1985	1,523	1982	1,238
1984	1,303	1981	1,160
1983	1,164		

Sales and Earnings

	Net Sales	Net Income
1985	$ 131,680,000	$ 7,431,000
1984	111,406,000	12,932,000
1983	91,303,000	4,042,000
1982	80,341,000	(716,000)
1981	69,448,000	1,631,000

	No. of Com. Shares +	Earn. per Share #
1985	7,820,000	$ 0.92
1984	7,626,000	1.65
1983	7,348,000	0.58
1982	5,895,000	—
1981	5,841,000	0.29

(Loss)
+ Adjusted to reflect stock splits.
# Based on weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Electro-Optical Prods.	$ 96,899,000	$ 78,187,000
Medical Prods.	48,164,000	45,253,000
Intersegment sales	(13,383,000)	(12,034,000)
Total	$ 131,680,000	$ 111,406,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	3-for-2
1983	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 80,418,000	$ 10.28
1984	69,532,000	9.12
1983	54,489,000	7.42
1982	30,718,000	5.21
1981	31,114,000	5.33

† Adjusted to reflect stock splits.

Income Account *

Year ended	9/28/85	9/29/84
Net sales	$ 131,680,000	$ 111,406,000
Cost of sales	75,723,000	64,574,000
Expenses	47,096,000	37,896,000
Interest income	(2,707,000)	(2,493,000)
Interest expense	801,000	558,000
For. exch. loss (gain)	(44,000)	254,000
Other Income	(440,000)	(1,034,000)
Non-recurr. gains	(1,382,000)	(6,517,000)
Income before taxes	$ 12,633,000	$ 18,168,000
Income taxes	5,202,000	5,236,000
Net Income	$ 7,431,000	$ 12,932,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,398,000 in 1985 and $2,262,000 in 1984.

Assets

As of	9/28/85	9/29/84
Cash	$ 16,646,000	$ 31,180,000
Accts. receiv. net	45,998,000	34,571,000
*Inventories	41,302,000	25,216,000
Prepaid expenses	677,000	3,687,000
Deferred taxes	1,794,000	763,000
Current Assets	$ 106,417,000	$ 95,417,000
#Fixed assets	15,902,000	9,794,000
Goodwill	6,619,000	6,795,000
Other assets	1,911,000	1,589,000
Total Assets	$ 130,849,000	$ 113,595,000

Liabilities

Notes payable	$ 7,220,000	$ 2,879,000
Accounts payable	7,263,000	5,617,000
Accruals	10,100,000	7,661,000
Accrued payroll	5,469,000:	5,007,000
Income taxes	1,348,000	1,842,000
Reserve for warranty	6,158,000	4,818,000
Current Liabilities	$ 37,558,000	$ 27,824,000
Long-term debt	2,933,000	4,556,000
Def. gain on bldg. sale	2,961,000	3,356,000
Deferred revenue	1,484,000	2,090,000
Deferred inc. taxes	257,000	502,000
Minority interest	5,238,000	5,735,000
+Common stock	1,721,000	1,678,000
Add. paid-in capital	43,086,000	40,811,000
Stock subscription receivables	—	(174,000)
Retained earnings	35,691,000	28,260,000
Translation adj.	(80,000)	(1,043000)
Total Liabilities & Shareholders' Equity	$ 130,849,000	$ 113,595,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.59	16.31
%Net Income to Sales	5.64	11.61
%Net Income to Equity	9.24	18.60
Sales to Inventories	3.19	4.42
Debt to Equity	0.13	0.11
Working Capital	$68,859,000	$67,593,000
Current Ratio	2.83	3.43
Shareholders' Equity	$80,418,000	$69,532,000

Cohu, Inc.

5755 Kearny Villa Road
San Diego, California 92123
(714) 277-6700

Officers: William S. Ivans, chairman; James W. Barnes, president and chief executive officer; A. Mack Rodgers, vice president & counsel; Charles A. Schwan, v.p.-finance.

Directors: William S. Ivans, Robert W. Kerns, John E. Goode, Jr., J.M. Keeney, F.W. Davis, W.N. Jenkins, G.E. Leary, R.C. Sebold, James W. Barnes, Charles L. Blake.

Division(s):

Electronics Division
5725 Kearny Villa Road
San Diego, California 92123
(714) 277-6700

Major products include broadcast and closed-circuit TV systems, color film cameras, environmental, underwater and radiation-tolerant cameras, high resolution cameras, audio and video switching systems and voltage standards.

Subsidiaries:

Broadcast Microwave Services, Inc.

Manufactures microwave radios, antenna systems and support equipment used to transmit television video and audio signals.

Delta Design, Inc.
5755 Kearny Villa Road
San Diego, California 92113
(714) 292-5000

Supplies specialized electro-mechanical test equipment such as transistors and integrated circuits to the semiconductor industry.

FRL, Incorporated
1005 I Street
Los Banos, California 93635
(209) 826-3292

Supplier of metal detection equipment to the public utility industry, and to prospectors and hobbyists.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: COH

Number of Employees:

1985	414	1982	316
1984	363	1981	326
1983	342		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 30,398,749	$ 1,082,164
1984	23,268,779	1,740,902
1983	19,680,820	1,217,849
1982	18,322,150	573,788
1981	19,326,015	1,199,526

	No. of Com. Shares †	Earn. per Share †
1985	1,793,262	$ 0.60
1984	1,739,256	1.00
1983	1,733,352	0.70
1982	1,731,086	0.33
1981	1,722,035	0.70

‡ Includes other income; of continuing operations only.
† Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Television cameras & equipment	$ 14,742,169	$ 8,885,401
Electronic test & detection apparatus	15,656,580	14,383,378
Total	$ 30,398,749	$ 23,268,779

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.19	—	—
1983	0.16	—	—
1982	0.16	—	—
1981	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 14,209,127	$ 7.90
1984	13,399,459	7.51
1983	11,634,073	6.71
1982	10,679,574	6.17
1981	10,379,751	6.00

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 30,398,749	$ 23,268,779
Cost of sales	20,930,062	14,290,904
Expenses	7,977,231	6,366,113
Int. & div. income	(26,508)	(209,140)
Gain on sale of land	(160,000)	(160,000)
Interest expense	95,800	—
Income before taxes	$ 1,582,164	$ 2,980,902
Income taxes	500,000	1,240,000
Net Income	$ 1,082,164	$ 1,740,902

*Included in Costs and Expenses, Depreciation and Amortization: $530,378 in 1985 and $410,644 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 426,957	$ 1,718,563
Accts. receiv., net	6,095,184	4,233,997
*Inventories	7,701,751	6,493,745
Prepaid expenses	190,466	136,428
Current Assets	$ 14,414,358	$ 12,582,733
#Fixed assets	5,752,540	4,957,554
Other assets	535,480	619,656
Total Assets	$ 20,702,378	$ 18,159,943

Liabilities

Notes payable	$ 2,700,000	$ —
Accts. payable	1,603,015	2,079,319
Accruals	723,563	622,457
Accrued payroll	503,223	565,109
Income taxes	24,506	614,028
Other taxes	134,490	205,891
Commissions payable	205,454	240,680
Curr. Liabilities	$ 5,894,251	$ 4,327,484
Deferred inc. taxes	599,000	433,000
+Common stock	2,017,618	2,003,608
Add. paid-in capital	4,191,573	4,119,326
Retained earnings	8,974,115	8,250,704
Treasury stock	(974,179)	974,179
Total Liabilities & Shareholders' Equity	$ 20,702,378	$ 18,159,943

* At lower of average cost and market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.20	12.81
%Net Income to Sales	3.56	7.48
%Net Income to Equity	7.62	12.99
Sales to Inventories	3.95	3.58
Working Capital	$ 8,520,107	$ 8,255,249
Current Ratio	2.45	0.29
Shareholders' Equity	$14,209,127	$13,399,459

Colt Industries Inc.

430 Park Avenue
New York, New York 10022
(212) 940-0400

Officers: David I. Margolis, chairman, president & chief exec. officer; Anthony J. di Buono, sr. v.p., general counsel & secretary; Ben Cook, Guy C. Shafer, Andrew C. Hilton, Salvatore J. Cozzolino, exec. v.p.'s; Phil Berkowitz, v.p.-personnel; Joseph P. Lisa, v.p. & controller; James G. McHugh, v.p.-labor relations; Julius Levinson, v.p.-taxes; John F. Campbell, v.p.-public relations; Ray C. Davis, George W. Townsend, C. Edward Warner, group v.p.'s; Hershell B. Murray, v.p.-government relations.

Directors: David I. Margolis, William S. Schwab, William H. Rea, Max E. Wildman, Robert A. Alberty, Louis T. Seith, Paul W. MacAvoy, Salvatore J. Cozzolino, Andrew C. Hilton.

Divisions:

Industrial

Fairbanks Morse Engine Division
701 Lawton Avenue
Beloit, Wisconsin 53511
(608) 364-4411

Diesel engine generator systems for standby, peaking, and continuous service/Diesel engines for industrial drives/Marine diesel propulsion systems and generator systems.

Central Moloney Transformer Division
2400 West Sixth Avenue
Pine Bluff, Arkansas 71601
(501) 534-5332

Electrical distribution transformers, components.

Pratt & Whitney Machine Tool Division
Charter Oak Boulevard
West Hartford, Connecticut 06101
(203) 236-6221

Profile milling, other machine tools, measuring systems, metal cutting, metal forming tools, dies.

Elox Division
P.O. Box 2227
Davidson, North Carolina 28036
(704) 892-8011

Electrical discharge machining (EDM) equipment.

Quincy Compressor Division
36th Street & Wismann Lane
Quincy, Illinois 62301
(217) 222-7700

Reciprocating and helical screw air compressors.

Garlock Special Products Division
Suite 1250, Midtown Tower
Rochester, New York 14604
(716) 232-1400

Bearings, butterfly valves, and hydraulic/pneumatic cylinders.

France Compressor Products Division
104 Pheasant Run
Newtown, Pennsylvania 18940
(215) 968-5959

Compressor and industrial engine components.

Fairbanks Weighing Division
711 East St. Johnsbury Road
St. Johnsbury, Vermont 05819
(802) 748-5111

Electronic scales.

Colt Firearms Division
P.O. Box 1868
Hartford, Connecticut 06102
(203) 236-6311

Hunting rifles/Sporting, target, custom, and commemorative arms and accessories/Police, security, and military handguns/M16 military rifles.

Garlock Mechanical Packing Division
1666 Division Street
Palmyra, New York 14522
(315) 597-4811
Industrial seals, gasketing, expansion joints.

Automotive

Holley Automotive Division
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 497-4000
Automotive carburetor; fuel injection systems, transmission components. Design, manufacture, and sale of OEM car and truck carburetors/Development of non-carburetor automotive fuel management systems.

Holley Replacement Parts Division
11955 East Nine Mile Road
Warren, Michigan 48089
(313) 497-4000
Replacement, performance carburetors, fuel injection systems; remanufactured carburetors; emissions control components.

Colt Automotive Products Division
1748 Northwood Drive
Troy, Michigan 48084
(313) 362-5300
Supercharger systems, friction materials, and other non-fuel system products.

Stemco Truck Products Division
P.O. Box 1989
Longview, Texas 75606
(214) 758-9981
Truck wheel lubrication systems/Exhaust systems, replacement leaf springs, and automotive instrumentation.

Farnam Sealing Systems Division
1707 Northwood Drive
Troy, Michigan 48084
(313) 362-5457
Gaskets, gasket assemblies for automotive and industrial applications.

Fairbanks Morse Engine Accessories Operation
6402 Rockton Road
Roscoe, Illinois 61073
(815) 389-3660
Magnetos, ignition systems, other engine components.

Aerospace/Government

Menasco California Division
First and Cedar Streets
Burbank, California 91510
(818) 842-9111
Landing gear for military and commercial aircraft/Shock mitigation systems for missiles and other applications.

Menasco Texas Division
P.O. Box 500
Euless, Texas 76039
(817) 283-4471
Military and commercial aircraft landing gear/Hydraulic systems and weapons loading systems for submarines and destroyers/Helicopter components.

Menasco Overhaul Division
26 East Providencia Avenue
Burbank, California 91510
(818) 843-0611
Overhaul and repair of landing gear and unrelated components and reconditioned spare parts for U.S. and foreign airlines and military services.

Delavan Gas Turbine Products Division
P.O. Box 100
West Des Moines, Iowa 50265
(515) 274-1561
Gas turbine engine fuel injectors, components, spray nozzles, valves.

Chandler Evans Control Systems Division
Charter Oak Boulevard
West Hartford, Connecticut 06101
(203) 236-0651
Fuel pumps, fuel controls, and other gas turbine engine accessories and components/Aircraft and airframe valves/Missile flight control systems, valves and actuators.

Lewis Engineering Company
238 Water Street
Naugatuck, Connecticut 06770
(203) 729-5253
Aircraft electronic instrumentation systems.

Walbar Inc.
Peabody Industrial Center
Peabody, Massachusetts 01970
(617) 532-2700
Jet engine turbine blades and vanes, compressor airfoils, discs, impellers, and related components.

International Operations

Menasco Aerospace Ltd.
1400 South Service Road, West
Oakville, Ontario
Canada L6L 5Y7
(416) 827-7777
Landing gear and flight controls for military and commercial aircraft/Helicopter rotor components/Flight control overhaul service.

Garlock of Canada Ltd.
66 Jutland Road
Toronto, Ontario, Canada M8Z 2H3
(416) 255-9114
Molded and extruded rubber products/Braided packings/Compressor and industrial engine components/Wheel lubrication and truck exhaust systems for heavy duty trucks.

Facilities: Garlock Mechanical Packing Division, Toronto, Ontario; France Compressor Products Division, Brantford, Ontario; Stemco Truck Products Division, Mississauga, Ontario.

Woodville Polymer Engineering Ltd.
Alton Lane, Ross-on-Wye
HR9 5NF Herefordshire, England
High-technology specialty molded rubber products.

Facilities: Ross-on-Wye Division, Ross-on-Wye, Herefordshire; Swadincote Division, Burton-on-Trent, Staffordshire.

Garlock AG
Industriestrasse 26128
8152 Glattbrugg
Switzerland
Colt friction materials, truck transmission components.

Garlock Limited
North Way, Andover
Hampshire, SP10 5HN England
Sals, packings, truck wheel lubrication systems, compressor components.

Facilities: Garlock Mechanical Packing and Stemco Truck Products Division, Newbury, Berkshire; France Compressor Products Division, Andover Hampshire.

Garlock S.A.
Torre dels Pardals, 23
Barcelona 26, Spain
Stemco truck products.

Garlock GmbH
Postfach 300 451
Scheffelstrasse 73
4000 Dusseldorf 30
West Germany
Manufacture and distribution of Garlock products. Stemco truck products, and France compressor products.

Facilities: Garlock Valves & Industrial Plastics, Neuss; France Compressor Products Division, Gross Gerau; Garlock Mechanical Packing Division, Düsseldorf.

Garlock de Mexico, S.A. de C.V.
Poniente 116, No. 571
Mexico 15, D.F.
Industrial packing and gasketing/Compressor components/TFE specialty products and molded rubber products.

Delavan Limited
Gorsey Lane, Widnes
Cheshire WA8 ODJ England
Industrial, agricultural spray nozzles and other products.

Liard S.A.
49 Route National
F-59570 Bavay, France
Compressor and industrial engine components, truck wheel lubrication systems.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): New York, Pacific, Midwest, London

Ticker Symbol: COT

Number of Employees:

1985	19,700	1982	20,600
1984	22,400	1981	28,000
1983	22,100		

Plant Footage:

1985	N.A.	1982	12,800,000
1984	11,900,000 sq.ft.	1981	17,200,000
1983	N.A.		

N.A. - Not Available.

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 1,579,325	$ 138,033
1984	1,581,750	132,229
1983	1,343,130	99,255
1982	1,277,736	(161,358)
1981	1,451,611	109,550

	No. of Com. Shares #	Earn. per Share #
1985	19,979,000	$ 6.91
1984	22,093,000	5.99
1983	24,778,000	4.01
1982	25,502,000	—
1981	27,680,000	3.95

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Aerospace/Government	$ 539,000	$ 497,000
Automotive	542,000	580,000
Industrial	501,000	506,000
Eliminations	(3,000)	(1,000)
Total	$ 1,579,000	$ 1,582,000

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$2.50	—	—
1984	2.27	—	—
1983	2.00	—	—
1982	1.80	—	—
1981	1.53¾	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 414,304,000	$ 21.39
1984	343,719,000	17.58
1983	466,831,000	19.65
1982	443,490,000	18.51
1981	735,715,000	27.06

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Colt Industries Inc.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 1,579,325	$ 1,581,750
Cost of sales	1,159,264	1,170,770
Expenses	187,614	192,607
Interest expense	14,331	14,275
Interest income	(8,724)	(15,705)
Income before taxes	$ 226,840	$ 219,803
Income taxes	97,540	99,834
Inc. - cont. oper.	$ 129,300	$ 119,969
Inc. - discont. oper.	8,733	12,260
Net Income	$ 138,033	$ 132,229

* Included in Costs and Expenses, Depreciation and Amortization: $31,626,000 in 1985 and $33,208,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cert. of deposit	$ 14,082	$ 3,858
Marketable securities	201,499	2,529
Accts. and notes receiv., net	179,867	180,587
*Inventories	277,230	266,107
Deferred inc. taxes	17,339	18,493
Other curr. assets	5,520	4,941
Assets of discont. oper.	—	77,667
Current Assets	$ 695,537	$ 554,182
#Fixed assets	301,932	251,775
Intangibles	167,530	41,323
Other assets	7,803	1,530
Funds for capital proj.	77,742	54,116
Assets of discont. oper.	—	57,187
Total Assets	$ 1,250,544	$ 960,113

Liabilities
(000's)

	1985	1984
Notes payable	$ 4,091	$ 12,120
Long-term debt, curr.	4,489	3,889
Accts. payable	85,803	89,639
Accrued payroll	68,406	45,311
Accrued taxes	76,902	81,318
Other accruals	39,260	31,651
Liab. of discont. oper.	7,008	17,350
Curr. Liabilities	$ 285,959	$ 281,278
Long-term debt	342,414	108,589
Minority interest	4,039	4,114
Deferred inc. taxes	5,612	(8,919)
Other liab.	106,383	46,765
Liab. of discont. oper.	91,833	184,567
+Common stock	27,617	27,617
Add. paid-in capital	143,548	142,321
Retained earnings	593,173	504,402
For. curr. trans. adjust.	(10,734)	(11,998)
Treasury stock	(339,300)	(318,623)
Total Liabilities & Shareholders' Equity	$ 1,250,544	$ 960,113

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1985	1984
%Net Income to Equity	33.32	38.47
Sales to Inventories	5.70	5.94
Debt to Equity	0.85	0.36
Working Capital	$409,578,000	$272,904,000
Current Ratio	2.43	1.97
Shareholders' Equity	$414,304,000	$343,719,000

Columbia Chase Corporation

Forbes Business Center, Suite 200
220 Forbes Road
Braintree, Massachusetts 02184 ((617) 848-2810

Officers: Francis M. Chase, chairman of the board & chief executive officer; Edward L. Chase, president, treasurer & chief operating officer; Nikit Ordjanian, vice.president; Wilfred W. Carter, v.p.-finance & controller; George M. Hughes, secretary.

Directors: Francis M. Chase, chairman; Edward L. Chase, Nikit Ordjanian, George M. Hughes, George M. Hansen, Wilbur L. Lafean, Jr., James D. O'Donnell.

Areas of Work: Manufactures energy-related products such as dielectric insulation for electrical power cables, protective tapes and coatings for underground gas and oil lines and humidity-resistant coatings for electronic components and printed circuitry. Other operations include custom compounding and mixing of rubber and plastics and the design and manufacture of copper absorber plates, also a coal-based alternate fuel.

Divisions and Subsidiaries:

Chase & Sons, Inc.
Randolph, Massachusetts 02368
(617) 963-2600

Cable tapes for use in electrical wires and cables, telephone and communication cables, shipboard, Navy and missile cables. Protective tape coatings for corrosion prevention on underground oil, gas and petroleum pipelines. Electrical tapes for utilities and contractors. Flexible electrical insulation for use in motors, transformers and other electrical equipment.

Avon Custom Mixing Services Division
Holbrook, Massachusetts
(617) 767-0511

Custom volume mixing of rubber and other compounds supplying the commercial market and corporate internal use.

HumiSeal Division
26-60 Brooklyn-Queens Expressway West
Woodside, New York 11377
(718) 932-0800

Produces conformal liquid protective coatings for electronics and printed circuitry.

Royston Laboratories, Inc.
Pittsburgh, Pennsylvania 15238
(412) 828-1500

Produces and sells materials to prevent corrosion on underground pipelines and other metal surfaces and to protect wood and concrete surfaces, also bridge expansion joints.

International Division
220 Forbes Road
Braintree, Massachusetts 02184
(617) 848-2813
Liaison Office
Brussels, Belgium
32(2) 354-1331

Coordination of international marketing and sales.

Combustion Division
Holbrook, Massachusetts
(617) 767-0542

Systems for producing coal-water alternate fuel mixtures. Systems for treatment of asphaltene contaminants in No. 6 oil.

Intercol Services, Inc.
Braintree, Massachusetts

International licensing and exchange of process and technologies and special international sales.

Solar Voltaic, Inc. (51% owned)
Braintree, Massachusetts
(617) 848-2810

Solar cell research.

Allstate Energy Analysts, Inc.
Braintree, Massachusetts

Energy analysis service.

Sunplate, Inc.
Holbrook, Massachusetts
(617) 767-0513

Copper absorber plates.

Columbia Chase Export Corp.
Barbados

Small Foreign Sales Corporation (PSC).

Transfer Agent(s):

The Chase Manhattan Bank
One New York Plaza
New York, New York 10081

Stock Exchange(s): Boston

Ticker Symbol: CTE

Number of Employees:

1985 ...... 184 1983 190
1984 177

Plant Footage:

1985 ...... 325,000 sq. ft. 1983 350,000
1984 350,000

Sales and Earnings

	Net Sales +	Net Income †
1985	$ 22,397,124	$ 441,043
1984	21,043,181	379,543
1983	17,982,075	22,885
1982	18,433,653	(145,996)
1981	20,947,745	473,260

	No. of Com. Shares #	Earn. per Share #†
1985	3,887,964	$ 0.11
1984	3,894,806	0.10
1983	3,894,806	0.01
1982	3,894,806	—
1981	3,894,806	0.12

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $179,359 ($0.04 per share) in 1985, $202,920 ($0.05 per share) in 1984 and $200,000 ($0.06 per share) in 1983.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.06	—	7-for-5

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 5,220,192	$ 1.35
1984	4,802,618	1.23
1983	4,423,075	1.14
1982	4,400,190	1.13
1981	4,782,685	1.23

+ Adjusted to reflect stock split.

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 22,257,817	$ 20,912,906
Other income	139,307	130,275
Total income	$ 22,397,124	$ 21,043,181
Cost of sales	15,314,265	14,627,482
Expenses	6,031,240	5,454,143
Interest expense	285,351	356,303
Minority interest	—	(4,972)
Income before taxes	$ 766,268	$ 610,225
Income taxes	504,584	433,602
Net Income	$ 261,684	$ 176,623
Extraord. gain	179,359	202,920
Net Income & extraord. gain	$ 441,043	$ 379,543

* Included in Costs and Expenses, Depreciation and Amortization: $364,236 in 1985 and $342,707 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 152,835	$ 261,951
Receiv., net	3,813,993	3,679,115
*Inventories	3,019,242	2,736,280
Prepaid expenses & other assets	263,440	236,365
Current Assets	$ 7,249,510	$ 6,913,711
#Fixed assets	2,161,534	2,082,473
Other assets	710,614	623,325
Total Assets	$ 10,121,658	$ 9,619,509

Liabilities

	1985	1984
Notes payable	$ 1,222,393	$ 1,114,949
Long-term debt, curr.	150,000	159,299
Accts. payable	1,151,096	1,187,752
Accruals	813,952	857,610
Income taxes	420,861	216,923
Deferred income	4,370	4,489
Curr. Liabilities	$ 3,762,672	$ 3,541,022
Long-term debt	1,050,000	1,200,000
Def. inc. taxes	88,794	75,869
+Common stock	389,480	389,480
Add. paid-in capital	1,753,482	1,753,482
Retained earnings	3,100,699	2,659,656
Treasury stock	(23,469)	—
Total Liabilities & Shareholders' Equity	$ 10,121,658	$ 9,619,509

* At cost (FIFO), which is not in excess of market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	3.44	2.92
%Net Income to Sales	1.18	0.84
%Net Income to Equity	5.01	3.68
Sales to Inventories	7.37	7.64
Debt to Equity	0.46	0.52
Working Capital	$3,486,838	$3,372,689
Current Ratio	1.93	1.95
Shareholders' Equity	$5,220,192	$4,802,618

Communications Satellite Corporation

950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6000

Officers: Irving Goldstein, chairman & chief executive officer; Marcel P. Joseph, president & chief operating officer; Joel R. Alper, president-Space Communications Div.; Stephen M.D. Day, v.p.-corporate development; A. William Perigard, president-COMSAT Technology Products, Inc.; William L. Mayo, president-COMSAT General Corp.; William C. Taylor, president-COMSAT International Communications, Inc.; Bruce L. Crockett, v.p. & chief financial officer; Robert W. Baumann, v.p.-human resources and organization development; Richard L. Dineley, comptroller; Willard R. Nichols, v.p., secretary & general counsel; John V. Evans, v.p.-research & development & dir.-COMSAT Laboratories; Richard L. McGraw, v.p.-corp. affairs; Edmund Bartlett, III, treasurer; Robert W. Kinzie, pres. Communications Services Div.

Directors: Elliot M. Estes, Joseph V. Charyk, Melvin R. Laird, Ellmore C. Patterson, Charles J. Pilliod, Jr., Bruce G. Sundlun, Lewis W. Foy, Frederick B. Dent, Neal B. Freeman, E. Pendleton James, Irving Goldstein, Marcel P. Joseph, Michael A. McManus, Jr., John Sculley.

Areas of Work: COMSAT, the Communications Satellite Corporation, provides satellite-based communications services and products to the international, maritime, and U.S. domestic markets.

Subsidiaries:

COMSAT General Corporation
950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6010

Engaged in maritime and domestic U.S. satellite communications programs, and provides worldwide technical service.

COMSAT International Communications, Inc.
950 L'Enfant Plaza S.W.
Washington, D.C. 20024
(202) 863-6000

Provides private, custom-designed international communications networks to multinational organizations.

Satellite Television Corporation
950 L'Enfant Plaza, S.W.
Washington, D.C. 20024
(202) 863-6000

Has filed an application with the FCC proposing to operate satellite subscription television service.

COMSAT Technology Products, Inc.
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-5000

COMSAT Laboratories
22300 COMSAT Drive
Clarksburg, Maryland 20871
(301) 428-4000

COMSAT Telesystems, Inc.
2700 Prosperity Avenue
Fairfax, Virginia 22031
(703) 876-3000

Amplica Inc.
950 Lawrence Drive
Newbury Park, California 91320
(805) 498-9671

COMSAT (U.K.) Limited
Greybrook House
28 Brook Street
London, W1Y 1AG
England

Transfer Agent(s):

American Transtech Inc.
8000 Baymeadows Way
Jacksonville, Florida 32216

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: CQ

Number of Employees:

1985 2,667

Sales and Earnings

	Oper. Revenues †	Net Income
1985	$ 459,036,000	$ (41,527,000)
1984	397,485,000	51,165,000
1983	402,246,000	50,051,000
1982	373,150,000	43,308,000
1981	286,019,000	40,038,000

	No. of Com. Shares +	Earn. per Share #
1985	18,115,473	$ —
1984	18,093,186	2.83
1983	18,066,035	2.77
1982	18,000,028	2.70
1981	16,000,028	2.50

(Loss)
† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Space communications	$ 262,496	$ 235,186
Communications serv.	167,630	138,102
Technology prods.	57,076	39,220
Eliminations	(28,166)	(15,023)
Total	$ 459,036	$ 397,485

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.20	—	—
1983	1.175	—	2-for-1
1982	1.15	—	—
1981	1.15	—	—

# Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 536,394,000	$ 29.61
1984	599,228,000	33.12
1983	569,138,000	31.50
1982	537,787,000	29.88
1981	437,220,000	27.33

# Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Oper. rev.	$ 459,036	$ 397,485
Cost of sales	223,912	196,025
Depreciation & amortization	74,287	56,946
Expenses	56,951	50,772
Eq. in loss of DBS Partnership	120,000	25,079
Other income	(10,169)	(14,765)
Interest expense	6,032	3,418
Inc. (loss) bef. taxes	$ (11,977)	$ 80,010
Inc. taxes	7,064	29,384
Inc. - (loss) cont. oper.	$ (19,041)	$ 50,626
Inc. (loss) - discont. oper	(22,486)	539
Net Income (Loss)	$ (41,527)	$ 51,165

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. investments	$ 101,748	$ 62,794
Accts. receiv., net	83,994	86,367
*Inventories	30,609	40,769
Other assets	29,055	21,365
Current Assets	$ 245,406	$ 211,295
Investments	13,118	4,514
#Fixed assets	853,156	891,395
Other assets & intangibles	50,197	58,618
Total Assets	$ 1,161,877	$ 1,165,822

Liabilities
(000's)

	1985	1984
Accts. payable	$ 41,653	$ 80,286
Accruals	65,909	43,971
Income taxes	4,377	12,001
Curr. Liabilities	$ 111,939	$ 136,258
Long-term debt	353,966	257,726
Deferred inc.	43,776	48,385
Deferred inc. taxes & invest. credit	115,802	124,225
+Common stock	234,548	234,513
Retained earnings	337,399	400,651
Treasury stock	(35,553)	(35,936)
Total Liabilities & Shareholders' Equity	$ 1,161,877	$ 1,165,822

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1985	1984
%Net Income to Equity	—	8.54
Debt to Equity	0.66	0.43
Working Capital	$133,467,000	$ 75,037,000
Current Ratio	2.19	1.55
Shareholders' Equity	$536,394,000	$599,228,000

Compucorp

2211 Michigan Avenue
Santa Monica, California 90404
(213) 829-7453

Officers: Elmer R. Easton, chairman, president and chief executive officer; Norman J. Grannis, sr. v.p.-operations; Kas Terhorst, sr. v.p.-international marketing; William G. Nevers, v.p.-finance & chief financial officer; Thomas S. Budlong, v.p.-product development; Andrea De Mari, v.p.-research & engineering; Stanley J. Emeterio, v.p. & controller; Michael J. Toia, v.p.-manufacturing & materiel; Salvatore F. Cimbolo, Jr., sr. v.p.-North American marketing operations; Cynthia Wells, secretary and corporate counsel.

Directors: Elmer R. Easton, Carlos A. Tomaszewski, Norman J. Grannis, David McKearnan, Albert G. Handschumacher, Minoru Tonai; Lutz-Dieter Beaugrand.

Areas of Work: Engaged in the design, manufacture and marketing of desktop and hand-held computers, word processing equipment and computer components, programmable and nonprogrammable electronic calculators and peripheral equipment.

Transfer Agent(s):

U.S. Stock Transfer Corporation
1745 Gardenia Avenue, Suite 200
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCUP (NASDAQ)

Number of Employees:

1984	437	1983	485

Plant Footage:

1983	120,000 sq. ft.	1980	30,000
1982	100,000	1979	30,000
1981	30,000		

Sales and Earnings

	Net Sales	Net Income #
1983	$ 38,258,000	$ (4,566,000)
1982	35,287,000	1,925,000
1981	17,901,000	722,000
1980	9,367,000	50,000
1979	5,965,000	449,000

	No. of Com. Shares	Earn. per Share # +
1983	4,246,000	$ —
1982	4,225,000	0.49
1981	2,933,000	0.22
1980	2,503,000	0.03
1979	1,636,000	—

(Loss)
# Including extraordinary gain of $270,000 ($0.07 per share) in 1982.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1983	$ 8,044,000	$ 1.89
1982	14,196,000	3.36
1981	3,815,000 +	1.30
1980	1,692,000 +	0.68

+ After allowing for preferred stock at stated value.

Income Account

Year ended Dec. 31	1983	1982
Net sales	$ 38,258,000	$ 35,287,000
Cost of sales	20,337,000	17,478,000
Research	4,625,000	3,250,000
Expenses	17,533,000	10,558,000
Interest expense	1,203,000	653,000
Other expenses	796,000	—
Income (loss) before taxes	$ (6,236,000)	$ 3,348,000
Income taxes (credit)	(1,670,000)	1,693,000
Net Income (Loss)	$ (4,566,000)	$ 1,655,000
Extraord. gain	—	270,000
Net Income (Loss) & extraord. gain	$ (4,566,000)	$ 1,925,000

Assets

As of Dec. 31	1983	1982
Cash	$ 290,000	$ 230,000
Accts. receiv., net	12,441,000	11,490,000
*Inventories	10,420,000	7,680,000
Prepaid expenses	926,000	511,000
Current Assets	$ 24,077,000	$ 19,911,000
#Fixed assets	9,203,000	4,000,000
Deposits	1,879,000	993,000
Total Assets	$ 33,012,000	$ 24,904,000

Liabilities

Bank notes payable	$ —	$ 750,000
Cap. lease oblig., curr.	120,000	—
Sinking fund debentures, curr.	—	908,000
Accts. payable	7,262,000	2,698,000
Accrued payroll	613,000	292,000
State income taxes	25,000	311,000
Other	958,000	599,000
Curr. Liabilities	$ 8,978,000	$ 5,558,000
Long-term debt	15,700,000	5,150,000
+ Preferred stock	290,000	—
+ + Common stock	10,531,000	12,117,000
Retained earnings (deficit)	(2,487,000)	2,079,000
Total Liabilities & Shareholders' Equity	$ 33,012,000	$ 24,904,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value; 6% cumulative.
+ + No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.49
%Net Income to Sales	—	4.69
%Net Income to Equity	—	17.66
Sales to Inventories	3.67	4.59
Working Capital	$15,099,000	$14,353,000
Current Ratio	2.68	3.58
Shareholders' Equity	$ 8,044,000	$14,196,006

CompuDyne Corporation

Corporate Headquarters:
391 Greendale Road
York, Pennsylvania 17403
(717) 843-4020

Office of the President:
100 South Wacker Drive
Chicago, Illinois 60606
(312) 346-7878

Officers: Frank J Kelley III, chairman of the board, president & treasurer; Bruce Chandler, v.p.; David W. Stevens, sr. v.p.; Martin F. Moser, controller; Kenneth P. Griffin, secretary; Allen Hatfield III, Walter E. Rohrbaugh, asst. secretaries & asst. treasurers.

Directors: Frank J Kelley III, chairman; Bert G. Kerstetter, Henry G. Van der Eb, W. Newton Burdick, Jr., Lavern H. Brenneman, Bruce Chandler, Donald G. Iselin.

Areas of Work: Operates principally in four industries—energy and environment, precision products, visual communications, and control systems. The energy and environment segment consists of the manufacture of industrial and commercial heat exchangers, air-handling equipment, and pollution control filter systems. The precision products segment consists of the manufacturing and marketing of hydraulic metal fabricating machinery consisting of press brakes, shears, drilling machines and production punches. The visual communications segment consists of electrical information display systems (including scoreboards, plastic, metal and fiberglass signs, bulletins, and leased display signs) and electrical monitoring devices. The control systems segment consists of the manufacture and sale of electronic control systems.

Divisions and Subsidiaries:

General Indicator Corporation
York, Pennsylvania 17405

Designers and manufacturers of solid-state electronic, electro-hydraulic, electromechanical, and peripheral equipment for process control systems; radio direction finding systems and optical beacons; electronic data display systems, airport flight information systems, time-temperature signs, electronic scoreboards for sporting events, and illuminated outdoor signs for merchandising.

Hydra-Tool Corporation
Greenwood, Mississippi

Manufacturer of patented hydraulic metal fabricating machines.

Robintech PVC Pipe
Arlington, Texas

Melweb Signs, Inc.
P.O. Box 986
Daytona Beach, Florida 32015
(904) 225-1901

Manufacturing, installation, maintenance and leasing of illuminated signs and outdoor advertising.

York-Shipley, Inc.
P.O. Box 349
York, Pennsylvania 17405
(717) 755-1081

Manufactures commercial and industrial heat exchangers and air handling equipment.

Bay Harbor Marina, Inc.
Bay City, Michigan

Marina providing mooring, storage, sales and repair of boats.

Kolux Division

Manufactures illuminated outdoor and indoor identification signs and electronic message changers.

REDCO Division
Peoria, Illinois

Engaged in the manufacture and sale of switch gear for control of power generating, water, sewage and continuous process systems.

Vega Precision Laboratories Division
800 Follin Lane
Vienna, Virginia 22180
(703) 938-6300

Designs and manufactures radar related electronic equipment.

Ocean Applied Research Division

Engaged in the manufacture and sale of automatic radio direction finding systems, radio beacons and optical beacons.

Quanta Systems Corporation (92.4% owned)
Rockville, Maryland

Designs and manufactures electronic security equipment for federal agencies, provides technical engineering services for U.S. Government, produces industrial audio communication systems for high noise environments and supplies computer-based automated health care testing and financial systems for clinics.

C.W. Thompson
Rockville, Maryland

Data-Control Systems
Rockville, Maryland

Transfer Agent(s):

Maryland National Bank
225 N. Calvert Street
Baltimore, Maryland 21202

Stock Exchange(s): American

Ticker Symbol: CDC

Number of Employees:

1984	1,500	1981	1,580
1983	1,500	1980	1,560
1982	1,500		

Sales and Earnings

	Net Sales +	Net Income ‡
1984	$ 90,597,000	$ 218,000
1983	79,232,000	761,621
1982	85,786,000	1,106,829
1981	82,319,000	1,593,090
1980	76,051,000	1,534,527

	No. of Com. Shares #	Earn. per Share #‡
1984	1,001,000	$ 0.10
1983	1,000,623	0.64
1982	1,000,623	0.98
1981	1,000,623	1.47
1980	1,006,184	1.30

+ Of continuing operations only.
‡ Including extraordinary credits of $585,217 ($0.58 per share) in 1983, and $162,400 ($0.16 per share) in 1980.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1984	1983
Energy & Environment	$ 23,462	$ 21,997
Visual Communications	35,891	27,736
Control Systems	31,244	29,499
Total	$ 90,597	$ 79,232

Common Stock Equity

	Total Equity #	Equity Per Share ‡
1984	$ 10,207,000	$ 10.20
1983	10,041,375	10.04
1982	9,071,924	9.07
1981	8,101,453	8.10
1980	6,700,209	6.66

After allowing for preferred stock at liquidation values.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1984	1983
Net sales	$ 90,597,000	$ 79,232,000
Cost of sales	63,564,000	56,150,000
Expenses	22,504,000	18,603,000
Other income	4,747,000	3,433,000
Interest expense	—	1,167,000
Plant relocation costs	(1,520,000)	(1,173,000)
Income before taxes	$ 1,302,000	$ 1,052,000
Income taxes	414,000	117,000
Minority interest	(62,000)	(19,000)
Inc. - cont. oper.	$ 950,000	$ 954,000
Loss - discont. oper.	(732,000)	(777,000)
Net Income	$ 218,000	$ 177,000
Extraord. gain	—	585,000
Net Income & extraord. gain	$ 218,000	$ 762,000

*Included in Costs and Expenses, Depreciation and Amortization: $2,781,000 in 1984 and $2,096,000 in 1983.

Assets

As of Sept. 30	1984	1983
Cash	$ 1,122,000	$ 515,646
Cert. of deposit	3,707,000	4,148,861
Accts. receiv., net	19,970,000	15,934,257
*Inventories	19,354,000	15,628,533
Prepaid expenses	2,238,000	1,494,488
Current Assets	$ 46,391,000	$ 37,721,785
Marketable equity secur. at market val.	590,000	524,900
#Fixed assets	25,771,000	16,251,936
Long-term receiv. & other assets	5,144,000	1,500,086
Total Assets	$ 77,896,000	$ 55,998,707

Liabilities

Notes payable & long-term debt., curr.	$ 26,002,000	$ 15,743,927
Accts. payable	7,264,000	5,645,419
Accruals	5,360,000	3,247,244
Customer deposits	964,000	1,694,330
Other curr. liabilities	1,063,000	335,667
Curr. Liabilities	$ 40,653,000	$ 26,666,587
Long-term debt	21,636,000	15,694,745
Deferred inc. taxes	782,000	393,270
Deferred compensation	341,000	484,187
Deferred credit	909,000	1,028,725
Minority interest	1,809,000	80,178
Redeem. pref. stock	349,000	399,500
+ Preferred stock		
Series A	900,000	900,000
Series B	310,000	310,140
+ + Common stock	791,000	790,663
Add. paid-in capital	541,000	541,184
Retained earnings	9,255,000	9,154,369
Treasury stock	(322,000)	(321,564)
Loss on marketable equity security	(58,000)	(123,277)
Total Liabilities & Shareholders' Equity	$ 77,896,000	$ 55,998,707

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
+ + $0.75 par value.

Statistical Summary

%Net Income to Equity	1.94	1.57
Sales to Inventories	4.68	5.07
Working Capital	$ 5,738,000	$11,055,198
Current Ratio	1.14	1.41
Shareholders' Equity	$11,417,000	$11,251,515

Compugraphic Corporation

200 Ballardvale Street
Wilmington, Massachusetts 01887
(617) 658-5600

Note: Agfa-Gevaert, N.V., a Belgian company which is an indirect, wholly owned subsidiary of Bayer AG of West Germany, owns slightly more than 81% of the common stock of Compugraphic Corporation.

Officers: Carl E. Dantas, president & chief executive officer; Fred J. Butler, sr. v.p.-finance & treasurer; David E. Costa, v.p.-corporate & product planning; Vincent M. Kaseta, sr. v.p.-human resources; David D. Lundquist, sr. v.p.-business development group; John M. Duker, sr. v.p.-sales & marketing; Frank J. Perpiglia, sr. v.p.-engineering division; Richard Renwick, sr. v.p.-operations; Donald C. Wile, sr. v.p.-graphics products group; Gabriel Auerbach, v.p.-quality & customer satisfaction; Thomas E. Kerr, clerk & general counsel; Marcia A. Krolikowski, asst. treasurer.

Directors: Johan Bisschops, George M. Berman*, Robert A.M. Coppenrath*, Carl E. Dantas*, Paul De Pelsmaker, Andre Leysen, Helmut Loehr, John K. Spring, Konrad M. Weis.

* Member of the Executive Committee.

Areas of Work: The Company develops, manufactures and markets equipment and related supplies, accessories and parts for application in setting type by a photocomposition process. The Company's photocomposition equipment projects individual letters and characters onto photographic paper or film from a film strip, glass grid, or magnetic disk containing a complete set of characters in a particular type style.

Subsidiaries:

Compugraphic Financial Corporation

Compugraphic Canada, Inc.

Compugraphic International Products Limited (Ireland)

Compugraphic Foreign Sales Corporation (US Virgin Islands)

Compugraphic International Finance Limited (Bermuda)

Compugraphic de Mexico, S.A.

Transfer Agent(s):

State Street Bank & Trust Co.
P.O. Box 366
Boston, Massachusetts 02107

Stock Exchange(s): New York, Boston, Philadelphia.

Ticker Symbol: CPU

Number of Employees:

1985	4,571	1982	4,309
1984	5,129	1981	4,334
1983	4,487		

Plant Footage:

1985	1,130,000 sq. ft.	1983	801,000
1984	1,191,000	1982	801,000

Sales and Earnings ×

	Revenues	Net Income
1985	$ 400,807,000	$ 21,797,000
1984	391,238,000	24,390,000
1983	318,363,000	16,903,000
1982	279,491,000	8,129,000
1981	276,313,000	(6,239,000)

	No. of Com. Shares	Earn. per Share #
1985	8,314,000	$ 2.63
1984	8,056,000	2.93
1983	8,120,000	2.04
1982	8,045,000	1.04
1981	4,958,000	—

(Loss)
× Restated to conform to new fiscal year.
# Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.60	—	—
1984	0.55	—	—
1983	0.10	—	—
1982	—	—	—
1981	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 194,693,000	$ 23.42
1984	172,766,000	21.45
1983	156,642,000	19.29
1982	139,917,000	17.39
1981	90,826,000	18.32

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Revenues	$ 400,807	$ 391,238
Cost of sales	217,415	203,061
Expenses:		
Sell., gen., & admin.	115,391	113,777
Eng., res., & develop.	38,669	34,763
Emp. profit sharing	3,162	3,812
Interest expense	1,798	1,504
Other expense (income)	(4,082)	16
Inc. before taxes	$ 28,454	$ 34,305
Inc. taxes	6,657	9,915
Net Income	$ 21,797	$ 24,390

Compugraphic Corporation

* Included in Costs and Expenses, Depreciation and Amortization: $14,830,000 in 1985 and $14,209,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash & market. secur.	$ 18,625	$ 8,006
Market. securities	3,572	7,741
Accts. receiv., net	51,339	59,768
Note receivable	14,000	4,000
*Inventories	84,572	87,722
Prepaid inc. taxes	—	7,847
Prepaid expenses	6,439	7,855
Invest. in sales-type leases	20,092	15,887
Current Assets	198,639	198,826
Investments in sales-type leases	$ 54,527	$ 37,600
#Fixed assets	76,924	75,402
Total Assets	$ 330,090	$ 311,828

Liabilities
(000's)

Notes payable	$ 6,566	$ 15,898
Long-term debt, curr.	1,691	1,242
Accts. payable	10,784	13,777
Cust. deposits	1,617	3,546
Accruals	49,258	46,584
Deferred income taxes	17,369	
Curr. Liabilities	$ 87,285	$ 81,047
Long-term debt	27,340	19,946
Deferred inc. taxes	20,772	38,069
+ Common stock	419	410
Stock purch. warrants	—	180
Add. paid-in capital	73,248	70,508
Cum. trans. adjust.	110	(1,725)
Retained earnings	123,356	108,310
Treasury stock	(2,440)	(4,917)
Total Liabilities & Shareholders Equity	$ 330,090	$ 311,828

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.10	8.77
%Net Income to Sales	5.44	6.23
%Net Income to Equity	11.20	14.12
Sales to Inventories	7.81	4.46
Debt to Equity	0.94	0.21
Working Capitai	$111,354,000	$117,779,000
Current Ratio	2.28	2.45
Shareholders' Equity	$194,639,000	$172,766,000

CompuScan, Inc.

81 Two Bridges Road
Fairfield, New Jersey 07006
(201) 575-0500

Officers: Robert S. Bernstein, chairman, president & chief exec. officer; Vincent P. Marasco, exec. v.p., treasurer & chief financial officer; Fernando J. Silva, Jr., v.p.-mfg.; John F. de Raismes, v.p.-engineering; Peter F. Polizzano, v.p.-Systems Marketing; Gerald M. Labie, v.p.-marketing; John C. Neth, v.p.-field engineering; Carol M. Darrow, secretary.

Directors: Robert S. Bernstein, William T. Burgin, Derrick Ashcroft, Robert W. Fischer, Daniel Sinnott, David S. Fine, Vincent P. Marasco.

Areas of Work: Designs, manufactures, markets and services intelligent image processing and data entry systems for business, industry and government.

Subsidiaries:

CompuScan International (DISC)
Optical Business Machines, Inc.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CSCN (NASDAQ)

Number of Employees:

1985	303	1982	271
1984	319	1981	300
1983	306		

Plant Footage:

1985	63,500 sq. ft.	1982	40,000
1984	70,000	1981	40,000
1983	70,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 20,340,000	$ 1,624,000
1984	21,612,000	2,596,000
1983	17,841,000	2,455,000
1982	18,024,000	1,068,000
1981	16,847,000	178,000

	No. of Com. Shares #	Earn. per Share #‡
1985	6,015,845	$ 0.27
1984	6,497,997	0.40
1983	6,148,222	0.40
1982	3,915,079	0.27
1981	3,195,235	0.06

(Loss)
‡ Including extraordinary credits of $747,000 ($0.12 per share) in 1985, $1,173,000 ($0.18 per share) in 1984, $1,406,000 ($0.23 per share) in 1983, $472,000 ($0.12 per share) in 1982 and $81,000 ($0.03 per share) in 1981.
# Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Tot l Equity	Equity Per Share ‡
1985	$ 14,302,000	$ 2.38
1984	14,827,000	2.28
1983	12,125,000	1.97
1982	2,598,000	0.66
1981	(423,000)	—

(Deficiency)
‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended May 31	1985	1984
Net revenues:		
Machines & hardware	$ 12,668	$ 14,623
Field engineering	7,672	6,989
Total	$ 20,340	$ 21,612
Cost of sales	11,111	11,348
Res., develop. engr. expenses	2,753	2,468
Sell., gen. & adm. exp.	5,548	5,582
Interest income	(853)	(580)
Income before taxes	$ 1,781	$ 2,794
Income taxes	904	1,371
Net Income	$ 877	$ 1,423
Extraord. gain	747	1,173
Net Income & extraord. gain	$ 1,624	$ 2,596

* Included in Costs and Expenses, Depreciation and Amortization: $1,518,000 in 1985 and $1,932,000 in 1984.

Assets

As of May 31	1985	1984
Cash & equiv.	$ 6,649	$ 7,363
Accts. receiv., net	3,068	3,907
*Inventories	2,678	2,329
Other curr. assets	67	66
Curr. Assets	$ 12,462	$ 13,665
#Fixed assets	3,735	3,161
Other assets	526	679
Total Assets	$ 16,723	$ 17,505

Liabilities
(000's)

Accts. payable	$ 1,052	$ 803
Accruals	1,262	1,761
Curr. Liabilities	$ 2,314	$ 2,564
Oblig. under cap. leases	107	114
+ Common stock	631	630
Add. paid-in capital	18,648	18,630
Retained earnings (deficit)	(2,809)	(4,433)
Treasury stock	(2,168)	—
Total Liabilities & Shareholders' Equity	$ 16,723	$ 17,505

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.76	12.93
%Net Income to Revenues	4.31	6.58
%Net Income to Equity	6.13	9.60
Debt to Equity	0.01	0.01
Working Capital	$10,148,000	$11,101,000
Current Ratio	5.41	5.33
Shareholders' Equity	$14,302,000	$14,827,000

Computer & Communications Technology Corp.

9177 Skypark Court
San Diego, California 92123
(619) 279-8973

Officers: E.T. Bahre, chairman of the board & chief executive officer; Robert L. McKay, exec. v.p. & chief financial officer; Jerry F. Smith, v.p.-personnel.

Directors: E.T. Bahre, chairman; Graham Tyson, Melvin A. Shader, Peter F. Zinsli.

Areas of Work: Designs and manufactures magnetic recording heads for rigid disc drives used for data storage and retrieval.

Subsidiaries:

Information Magnetics Corporation
9177 Skypark Court
San Diego, California 92123

Designs, manufactures, refurnishes and sells magnetic disc recording heads used in magnetic recording data storage units (peripheral memories) for data processing systems.

Information Magnetics Caribe Inc.
Call Box 1502, Road 125, Kil. 1.0
Moca, Puerto Rico 00716

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division, 2-70
P.O. Box 60228
Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CCTC (NASDAQ)

Number of Employees:

1985	N.A.	1982	1,642
1984	2,841	1981	1,769
1983	2,059		

N.A. - Not Available.

Sales and Earnings

	Revenues +	Net Income ‡
1985	$ 67,753,000	$ (9,893,000)
1984	102,779,000	13,266,000
1983	67,399,000	(24,616,000)
1982	63,819,000	5,103,000
1981	57,852,000	6,208,000

	No. of Com. Shares #	Earn. per Share #‡
1985	7,699,000	$ —
1984	7,745,000	1.71
1983	7,673,000	—
1982	7,326,000	0.70
1981	6,552,000	0.95

(Loss)

+ Of continuing operations only.

‡ Including extraordinary gan of $1,612,000 ($0.21 per share) in 1984.

Based on the weighted average number of common shares and common shares equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 50,875,000	$ 6.61
1984	61,271,000	7.91
1983	48,466,000	6.32
1982	72,221,000	9.86
1981	59,396,000	9.07

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales	$ 62,403	$ 100,426
Other income	5,350	2,353
Total Income	$ 67,753	$ 102,779
Cost cf sales	63,920	76,032
Eng. & develop. exp.	5,345	6,868
Selling, gen. & adm. exp.	11,492	8,487
Interest expense	1,386	1,032
Income (loss) before taxes	$ (14,390)	$ 10,360
Income taxes (credit)	(2,240)	816
Inc. (loss) -cont. oper.	$ (12,150)	$ 9,544
Inc. -discont. oper.	2,257	2,110
Net Income (Loss)	$ (9,893)	$ 11,654
Extraord. gain	—	1,612
Net Income (Loss) & extraord. gain	$ (9,893)	$ 13,266

* Included in Costs and Expenses, Depreciation and Amortization: $4,719,000 in 1985 and $3,865,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash	$ 24,039	$ 12,255
Trade receiv.	9,705	24,501
*Inventories	11,365	20,636
Assets held for sale	11,773	—
Other curr. assets	1,072	1,092
Current Assets	$ 57,954	$ 58,484
#Fixed assets	14,863	21,943
Invest. and other assets	8,416	11,191
Total Assets	$ 81,233	$ 91,618

Liabilities
(000's)

Notes payable, curr.	$ 97	$ 1,542
Accts. payable	5,005	8,594
Accruals	8,363	6,010
Income taxes	1,318	1,890
Curr. Liabilities	$ 14,783	$ 18,036
Long-term notes pay.	15,575	12,311
+ Common stock	3,085	3,082
Add. paid-in capital	50,004	50,510
Retained earnings (deficit)	(2,214)	7,679
Total Liabilities & Shareholders' Equity	$ 81,233	$ 91,618

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $0.40 par value.

Statistical Summary

%Net Income to Equity	—	19.02
Sales to Inventories	5.49	4.87
Debt to Equity	0.31	0.23
Working Capital	$43,171,000	$40,448,000
Current Ratio	3.92	3.24
Shareholders' Equity	$50,875,000	$61,271,000

Computer Automation, Inc.

2181 Dupont Drive
Irvine, California 92713
(714) 833-8830

Officers: George Pratt, president & chief executive officer; Douglas L. Cutsforth, president & chief operating officer; Stuart F. Dale, sr. v.p.; William L. Osmundsen, v.p.-finance, chief financial officer & treasurer; Ira L. Robinson, v.p., secretary & general counsel.

Directors: Richard Bertea, George Pratt, Harold R. Frank, R.C. Mercure, Jr., Douglas L. Cutsforth.

Areas of Work: Manufactures, markets and services high performance automatic test systems for testing electronic printed circuit boards, test equipment for bare circuit boards, digital minicomputers and microcomputers and their associated memories, communications and peripheral subsystems.

Divisions and Subsidiaries:

Industrial Products Division
2181 Dupont Drive
Irvine, California 92713

Computer Automation Limited
Millfield House
Croxley Centre, Woodshots Meadow
Watford, Hertfordshire,
WD1 8YX England

Computer Automation Ireland Ltd
IDA Industrial Estate
Clonsaugh, Coolock
Dublin 5, Ireland

Transfer Agent(s):

U.S. Stock Transfer Corp.
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CAUT (NASDAQ)

Number of Employees:

1985	499	1982	989
1984	910	1981	1,149
1983	N.A.		

Plant Footage:

1985	161,000 sq. ft.	1982	415,146
1984	363,500	1981	415,146
1983	N.A.		

N.A. - Not Available.

Sales and Earnings

	Revenues †	Net Income #
1985	$ 40,451,000	$ (12,705,000)
1984	41,681,000	(7,795,000)
1983	44,154,000	(474,000)
1982	47,692,000	2,022,000
1981	53,253,000	1,650,000

	No. of Com. Shares +	Earn. per Share + #
1985	2,060,575	$ —
1984	2,061,261	—
1983	2,079,978	—
1982	2,055,320	0.98
1981	2,033,829	0.81

(Loss)

† Of continuing operations only.

+ Based on the weighted average number of shares outstanding assuming full dilution.

Including extraordinary gain of $315,000 ($0.15 per share) in 1982.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 9,709,000	$ 4.71
1984	22,414,000	10.87
1983	30,232,000	14.53
1982	30,663,000	14.92
1981	28,623,000	14.07

+ Based on the weighted average number of shares outstanding assuming full dilution.

Income Account *

Year ended June 30	1985	1984
Revenues	$ 40,451,000	$ 41 681,000
Cost of prods. & svcs.	22,865,000	22,041,000
Expenses	24,558,000	23,144,000
Interest expense	814,000	632,000
Other expense (income)	754,000	(1,693,000)
For. curr. trans.	227,000	438,000
Loss - cont. oper.	$ (8,767,000)	$ (2,881,000)
Loss - discont. oper.	(3,938,000)	(4,914,000)
Net Loss	$ (12,705,000)	$ (7,795,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,329,000 in 1985 and $1,667,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 433,000	$ 2,676,000
Accts. receiv., net	8,605,000	15,058,000
*Inventories	5,792,000	15,881,000
Prepaid expenses	500,000	333,000
Current Assets	$ 15,330,000	$ 33,948,000
#Fixed assets	3,405,000	6,625,000
Other assets	174,000	289,000
Assets of bus. transferred	3,896,000	—
Total Assets	$ 22,805,000	$ 40,862,000

Liabilities

Note payable	$ 2,723,000	$ —
Long-term debt, curr.	110,000	2,713,000
Accts. payable	3,170,000	3,558,000
Accruals	4,853,000	4,061,000
Curr. Liabilities	$ 10,856,000	$ 10,332,000
Note payable	—	6,000,000
Oblig. under cap. lease	1,481,000	1,606,000
Deferred income	345,000	510,000
Other liabilities	414,000	—

+Common stock	206,000	206,000
Add. paid-in capital	9,509,000	9,509,000
Contrib. under emp. stock plan	11,000	11,000
Retained earnings	324,000	13,029,000
Note receivable	(341,000)	(341,000)
Total Liabilities & Shareholders' Equity	$ 22,805,000	$ 40,862,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Debt to Equity	0.44	0.46
Working Capital	$4,474,000	$23,616,000
Current Ratio	1.41	3.29
Shareholders' Equity	$9,709,000	$22,414,000

Computer Communications, Inc.

2610 Columbia Street
Torrance, California 90503
(213) 320-9101

Officers: Raymond E. High, chairman of the board & president; Carlton E. Vanderbeek, exec.v.p.; Ervin K. Dorff, sr. v.p.; Gene G. Ruckh, v.p.-finance; Harold L. Ridout, v.p.-manufacturing; Papken Sassouni, v.p.-special marketing; Jesse J. Acciacca, v.p.-customer service; Donald D. Wykes, sr. v.p.-sales & marketing; Eugene M. Guffan, treasurer & secretary.

Directors: Raymond E. High, Carlton E. Vanderbeek, Charles A. Dickinson, George S. Sarlo, Jack E. Schuss.

Areas of Work: CCI is a computer systems firm offering a complete range of system design, engineering and program development, data communications products include display/communications terminals, a communications processing computer with a complete set of associated storage units, peripheral devices and communications line interface modules, and complete data communications systems which utilize these products as components integrated together with operating software.

Subsidiaries:

C.C. Systems, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Co. of California
445 S. Figueroa Street
30th Floor
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	129	1982	150
1984	147	1981	170
1983	148		

Plant Footage:

1985	50,000 sq. ft.	1982	50,000
1984	50,000	1981	50,000
1983	50,000		

Sales and Earnings

	Revenues ‡	Net Income #
1985	$ 10,467,00	$ 174,625
1984	10,452,000	336,739
1983	10,982,000	601,496
1982	9,375,000	(744,292)
1981	11,006,000	(7,755,509)

	No. of Com. Shares	Earn. per Share # +
1985	7,117,711	$ 0.02
1984	6,742,142	0.06
1983	3,761,142	0.16
1982	3,761,142	—
1981	3,811,142	—

(Loss)
‡ Of continuing operations only.
# Including extraordinary gains of $60,000 ($0.01 per share) in 1985, $134,000 ($0.02 per share) in 1984 and $280,000 ($0.07 per share) in 1983.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,054,227‡	$ 0.15
1984	905,804	0.13
1983	(5,118,853)	—
1982	(5,725,112)	—
1981	(4,955,217)	—

(Deficiency)
‡ After allowing for preferred stock at par value.

Income Account *

Year ended June 30	1985	1984
Net revenues	$ 9,423,265	$ 9,833,755
Other income	1,043,611	618,261
Total income	$ 10,466,876	$ 10,452,016
Cost of sales	5,245,449	5,223,947
Expenses	4,964,333	4,745,781
Interest expense	82,469	145,549
Inc. bef. taxes	$ 174,625	$ 336,739
Income taxes	60,000	134,000
Net Income	$ 114,625	$ 202,739
Extraord. gain	60,000	134,000
Net Income & extraord. gain	$ 174,625	$ 336,739

* Included in Costs and Expenses, Depreciation and Amortization: $240,388 in 1985 and $311,328 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 115,330	$ 393,555
Short-term investments	—	1,750,000
Accts. & notes rec., net	1,907,427	1,945,484
*Inventories	3,053,483	2,648,968
Current Assets	$ 5,076,240	$ 6,738,007
Receivables	257,203	434,624
#Fixed assets	512,951	528,171
Other assets	464,796	213,335
Total Assets	$ 6,311,190	$ 7,914,137

Liabilities

Accts. payable	$ 2,757,492	$ 6,243,454
Accruals	717,196	764,879
Curr. Liabilities	$ 3,474,688	$ 7,008,333
+Preferred stock	1,782,275	—
+ +Common stock	7,117,711	6,742,142
Add. paid-in capital	16,879,972	17,394,226
Deficit	(22,943,456)	(23,118,081)
Notes receivable	—	(112,483)
Total Liabilities & Shareholders' Equity	$ 6,311,190	$ 7,914,137

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $4.50 par value; 8% non-cumulative convertible.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	1.85	3.42
%Net Income to Revenues	1.22	2.06
%Net Income to Equity	4.04	22.38
Working Capital	$1,601,552	—
Current Ratio	1.46	—
Shareholders' Equity	$2,836,502	$905,804

Computer Consoles, Inc.

Watermill Center
800 South Street, 5th Floor
Waltham, Massachusetts 02154
(617) 893-3723

Officers: John F. Cunningham, chairman of the board & chief exec. officer; Herman A. Affel, Jr., vice chairman & treasurer; Gary D. Haynes, sr. v.p.-communications/telephony marketing; Samuel J. Ilardo, asst. treasurer & v.p.-Computer Consoles Leasing Corp.; John P. Jacobson, v.p.-worldwide sales; Harold S. Koplow, v.p.-development planning; David Moros, v.p.-corp. development; Thomas I. Nientimp, v.p.-administration; B. Denison Olmsted, v.p.-marketing & customer service; J. William Reeves, secretary; William N. Stirlen, v.p.-finance & president-Computer Consoles Leasing Corp.

Directors: John F. Cunningham, chairman; Herman A. Affel, Jr., George S. Beinetti, Norman O. Bender, Jr., Edgar F. Heizer, Jr., Justin L. Vigdor, H. Martin Weingartner, Thomas A. Vanderslice.

Areas of Work: Designs, develops, manufactures, markets, and services a variety of minicomputer-based, fault-tolerant integrated information systems which are primarily for the telephone industry.

Subsidiaries:

Computer Consoles Leasing Corporation
Time-Machine Ltd.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
One Lincoln First Square
Rochester, New York 14643

Stock Exchange(s): American

Ticker Symbol: CCS

Number of Employees:

1985	1,200	1982	1,061
1984	N.A.	1981	846
1983	1,244		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income
1985	$ 111,880,000	$ (41,911,000)
1984	131,189,000	6,290,000
1983	103,550,164	10,391,775
1982	79,102,215	7,438,794
1981	60,239,975	6,301,481

	No. of Com. Shares †	Earn. per Share +
1985	11,983,897	$ —
1984	11,325,033	0.54
1983	11,111,640	0.87
1982	10,867,722	0.66
1981	10,714,694	0.56

(Loss)
† Adjusted to reflect stock dividend.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	100%	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 21,665,000	$ 1.81
1984	61,973,000	5.47
1983	53,968,000	4.86

1982	41,105,000	3.78
1981	32,921,000	3.07

† Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 111,880,000	$ 131,189,000
Cost of revenues	73,071,000	52,936,000
Expenses	65,968,000	63,710,000
Interest expense	12,295,000	7,737,000
Restructuring costs	19,310,000	—
Inc. (loss) bef. taxes	$ (58,764,000)	$ 6,806,000
Income taxes (credit)	(16,853,000)	516,000
Net Income (Loss)	$ (41,911,000)	$ 6,290,000

* Included in Costs and Expenses, Depreciation: $13,154,000 in 1985 and $9,444,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 4,246,000	$ 4,217,000
Accts. receiv., net	18,312,000	21,955,000
Lease receiv., curr.	13,709,000	15,438,000
*Inventories	22,905,000	38,228,000
Prepaid expenses	1,770,000	1,875,000
Current Assets	$ 60,942,000	$ 81,713,000
#Fixed assets	30,418,000	45,607,000
‡Field spare parts	5,999,000	9,592,000
Other assets	1,068,000	865,000
Lease receivables	86,551,000	93,167,000
Debt issuance costs	2,177,000	2,410,000
Total Assets	$ 187,155,000	$ 233,354,000

Liabilities

Short-term borrowings	$ 55,648,000	$ 31,381,000
Accts. pay. & accruals	18,920,000	17,693,000
Rents received in adv.	1,244,000	2,765,000
Long-term debt, curr.	1,112,000	945,000
Deferred inc. taxes	—	300,000
Curr. Liabilities	$ 76,924,000	$ 53,084,000
Other liabilities	1,481,000	1,544,000
Long-term debt	84,279,000	96,893,000
Deferred inc. taxes	2,806,000	19,860,000
+ Common stock	1,198,000	1,133,000
Add. paid-in capital	23,989,000	21,333,000
Notes receiv. from stock sale	(1,838,000)	(720,000)
Retained earnings (deficit)	(1,684,000)	40,227,000
Total Liabilities & Shareholders' Equity	$ 187,155,000	$ 233,354,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated appreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	5.19
%Net Income to Revenues	—	4.79
%Net Income to Equity	—	10.15
Debt to Equity	3.94	1.58
Working Capital	$15,982,000	$28,629,000
Current Ratio	0.79	1.54
Shareholders' Equity	$21,665,000	$61,973,000

Computer Image Corporation

2475 West Second Avenue
Suite 4
Denver, Colorado 80223
(303) 934-5801

Officers: Lee Harrison, III, chairman of the board & president; Pete Freyschlag, v.p.-production operations; Edwin J. Tajchman, vice president-engineering & secretary-treasurer.

Directors: Lee Harrison, III, chairman; David D. Connell, Robert C. Gathers, Daniel J. Yomine, Mark G. Benz.

Areas of Work: Engaged in the development, manufacture and marketing of electro-visual communication products, including Scanimate graphic animation systems and devices. Provides software for industrial, government and educational markets; character animation systems and film production.

Subsidiary:

Computer Image Overseas Corporation (DISC)
Denver, Colorado

Joint Ventures:

System IV
Santiago, Chile

System IV
Mexico City, Mexico

Kinetic Design Systems

Transfer Agent(s):

Mountain States Stock Transfer Agents, Inc.
470 South Colorado Boulevard
Suite 201
Denver, Colorado 80222

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CIMG (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income ‡
1983	$ 1,080,828	$ (177,843)
1982	1,903,933	172,295
1981	1,440,000	161,264
1980	1,500,000	104,310
1979	1,078,000	42,659

	No. of Com. Shares	Earn. per Share ‡†
1983	1,489,120	$ —
1982	1,489,120	0.12
1981	1,484,170	0.11
1980	1,484,170	0.07
1979	1,474,170	0.03

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.
‡ Including extraordinary gains of $74,000 ($0.05 per share) in 1982, $56,000 ($0.04 per share) in 1981, $28,000 ($0.02 per share) in 1980, and $11,200 ($0.01 per share) in 1979.

Income Account

Year ended June 30	1983	1982
Revenues	$ 1,080,828	$ 1,903,933
Cost of sales and services	443,484	470,762
Cost of computer system sold	—	477,046
Expenses	487,378	557,712
Depreciation & amortization	257,347	224,217
Eq. in loss of joint ventures	24,660	—
Interest expense	45,802	1,901
Income (loss) before taxes	$ (177,843)	$ 172,295
Income taxes	—	74,000
Net Income (Loss)	$ (177,843)	$ 98,295
Extraordinary gain	—	74,000
Net Income (Loss) & extraordinary gain	$ (177,843)	$ 172,295

Assets

As of June 30	1983	1982
Cash	$ 1,142	$ 1,068
Accts. & contracts receiv., net	20,443	80,370
*Inventories	26,873	197,102
Prepaid expenses & other assets	10,314	13,569
Install contract receiv.	19,712	57,786
Current Assets	$ 78,484	$ 349,895
Install contract receiv.	—	18,383
#Fixed assets	1,005,819	1,066,282
Intangibles	53,107	64,623
Invest. in joint ventures	296,990	248,500
Total Assets	$ 1,434,400	$ 1,747,683

Liabilities

Notes payable	$ 196,134	$ 77,592
Long-term debt, curr.	123,985	167,615
Accts. payable	174,133	265,325
Accruals	124,055	108,663
Deposit	9,000	—
Curr. Liabilities	$ 627,307	$ 619,195
Long-term debt	609,158	625,536
Deferred income	371,648	498,822
+ Common stock	148,912	148,912
Add. paid-in capital	3,807,494	3,807,494
Deficit	(4,130,119)	(3,952,276)
Total Liabilities & Shareholders' Equity	$ 1,434,400	$ 1,747,683

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	9.05
%Net Income to Revenues	—	5.16
Shareholders' Equity (Deficiency)	$(173,713)	$4,130

Computer Products, Inc.

2900 Gateway Drive
Pompano Beach, Florida 33069

Post Office Box 23849
Fort Lauderdale, Florida 33307
(305) 974-5500

Officers: David Yoder, chairman of the board, president & chief executive officer; Edward J. Schneider, v.p. & gen. mgr.-Power Conversion Group; Keith F. Vreeland, v.p.-finance, secretary & treasurer; John E. Doyle, asst. treasurer.

Directors: David C. Yoder, Daniel S. Wiper, Edward J. Schneider, Bert Sager, Edward S. Croft, III, Keith F. Vreeland, J. Earl Templeton, Stephen A. Ollendorff.

Areas of Work: Designs, manufactures and markets industrial electronic systems, components and instruments. Products include its RTP family of analog and digital systems used in computer directed measurement and control applications. Also manufactures low-power encapsulated power conversion components, low-power digital recorders and other data gathering instruments.

Divisions and Subsidiaries:

Real Time Products Division
Systems Division

Bus Compatible Division
Measurement and Control Sales Division
Field Service and Education Division
Computer Products Caribe Ltd.
Stevens-Arnold, Inc.
Memodyne Corp.

Computer Products, Inc.

Power Products Ltd.
CPRC, Inc.
Remote Systems, Inc.
Computer Products Asia - Pacific Ltd.
Computer Products Overseas Finance, N.V.
Grant Technology Systems Corp.

Acquisition(s):

Tecnetics, Inc.
Boulder, Colorado
Manufactures power supplies for the military and aerospace industries.

Boschert Inc.
BICC Boschert Ltd.
Manufacture power conversion products.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPRD (NASDAQ)

Number of Employees:

1985	2,248	1982	800
1984	1,300	1981	700
1983	1,100		

Plant Footage:

1985	682,000 sq. ft.	1984	352,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 88,518,000	$ 1,452,000
1984	85,252,000	8,742,000
1983	64,945,000	6,437,000
1982	45,006,300	3,857,000
1981	35,106,000	3,059,000

	No. of Com. Shares	Earn. per Share
1985	19,499,000	$ 0.07
1984	19,058,000	0.46
1983	17,940,000	0.36
1982	16,426,000	0.23
1981	15,878,000	0.19

× Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	2-for-1
1983	—	—	—
1982	—	—	—
1981	—	33⅓%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 57,179,000	$ 2.90
1984	49,884,000	2.65
1983	40,622,000	2.24
1982	23,735,000	1.45
1981	19,191,000	1.38

‡ Adjusted to reflect stock dividend and stock split.

Income Account *

Year ended	12/31/85	12/31/84
Net sales	$ 88,518,000	$ 85,252,000
Cost of sales	53,331,000	45,420,000
Expenses	33,875,000	27,099,000
Interest income	(789,000)	(1,649,000)
Interest expense	1,975,000	1,621,000
Income before taxes	$ 117,000	$ 12,761,000
Income taxes (credit)	(1,335,000)	4,019,000
Net Income	$ 1,452,000	$ 8,742,000

* Included in Costs and Expenses, Depreciation: $4,024,000 in 1985 and $2,337,000 in 1984.

Assets

As of	12/31/85	12/31/84
Cash	$ 1,849,999	$ 1,692,000
Cert. of deposit	4,560,000	16,158,000
Accts. receiv., net	27,127,000	24,182,000
Refundable income taxes	4,287,000	—
*Inventories	36,275,000	25,380,000
Prepaid expenses	1,634,000	546,000
Current Assets	$ 75,732,000	$ 68,083,000
#Fixed assets	42,178,000	19,201,000
Other assets	17,389,000	2,282,000
Total Assets	$ 135,299,000	$ 89,566,000

Liabilities

Note payable	$ 7,141,000	$ 6,613,000
Accts. payable	5,478,000	4,164,000
Accruals	8,975,000	5,828,000
Curr. Liabilities	$ 21,594,000	$ 16,605,000
Notes payable	38,427,000	18,445,000
Leases payable	12,830,000	113,000
Deferred inc. taxes	5,269,000	4,519,000
+Common stock	197,000	188,000
Add. paid-in capital	25,875,000	20,041,000
Retained earnings	31,107,000	29,655,000
Total Liabilities & Shareholders' Equity	$ 135,299,000	$ 89,566,000

* At lower of standard cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.13	14.97
%Net Income to Sales	1.64	10.25
%Net Income to Equity	2.54	17.52
Sales to Inventories	2.44	3.36
Working Capital	$54,138,000	$51,478,000
Current Ratio	3.51	4.10
Shareholders' Equity	57,179,000	$49,884,000

Computer Sciences Corporation

2100 E. Grand Avenue
El Segundo, California 90245
(213) 615-0311

Officers: William R. Hoover, chairman & president; George Barratt, v.p. & chief financial officer; Albert Gluckson, v.p., general counsel & secretary; Alvin E. Nashman, v.p. & president-Systems Group; Roy Nutt, v.p.; Denis M. Crane, v.p. & controller; Robert T. Knight, v.p., president-Information Network Services Group; Lawrence Parkus, v.p.-corporate development; A.B. Sims, v.p. & president-Industry Services Group; L. Scott Sharpe, v.p.-personnel.

Directors: William R. Hoover, chairman; George Barratt, Robert H. Bolman, Felix A. Kalinski, Alvin E. Nashman, Roy Nutt, Howard P. Allen, Robert R. Dockson.

Areas of Work: Plans, designs, engineers, integrates and operates computer-based systems and communications systems. It manages client computer facilities and provides operations and maintenance services for high-technology operations. It also provides value-added services in data communications, remote computing and distributed processing on its international communications network, and operates a number of other proprietary services for specific industries and markets.

Principal Operating Units:

Systems Group
6565 Arlington Boulevard
Falls Church, Virginia 22046

Applied Technology Division
Falls Church, Virginia

Defense Systems Division
Moorestown, New Jersey

Systems Division
Falls Church, Virginia

Systems Sciences Division
Silver Spring, Maryland

Systems International Division
Fairfax, Virginia

Information Network Services Group
2100 East Grand Avenue
El Segundo, California 90245

INFONET Division
El Segundo, California

Compufact
Garden Grove, California

Computer Sciences Canada, Inc.
Toronto, Ontario, Canada

Development and Operations Division
El Segundo, California

Government Systems Division
Arlington, Virginia

Industry Services Group
2100 East Grand Avenue
El Segundo, California 90245

Associated Credit Services, Inc.
Houston, Texas

Health and Administrative Services Division
Sacramento, California

Comtec, Inc.
Farmington Hills, Michigan

TACS Division
Los Angeles, California

CSC Computer Sciences Europe S.A.
350/358 Avenue Louise
Brussels, Belgium

CSC Computer Sciences Nederland B.V.
Zoetermeer, The Netherlands

Computer Sciences Company Limited
London, England

CSID-Computer Sciences International
Deutschland GmbH
Munich, Federal Republic of Germany

CSC Computer Sciences (Schweiz) AG
Zurich, Switzerland

Affiliate(s):

Computer Sciences of Australia Pty. Ltd.
460 Pacific Highway, St. Leonards
Sydney, New South Wales 2065
Australia

Transfer Agent(s):

Bank of America, N.T. & S.A.
Corporate Agency Service Center
55 Hawthorne Street
San Francisco, California 94105

American Transtech
8000 Baymeadows Way
Jacksonville, Florida 32216

Stock Exchange(s): New York, Pacific

Ticker Symbol: CSC

Number of Employees:

1985	15,800	1983	13,500
1984	13,900		

Plant Footage:

1985	2,455,000 sq. ft.	1983	640,000
1984	516,000		

Sales and Earnings

	Revenues	Net Income
1985	$ 723,493,000	$ 27,718,000
1984	712,224,000	18,266,000
1983	694,914,000	17,888,000
1982	630,174,000	17,781,000
1981	600,593,000	24,725,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	13,737,634	$ 2.02
1984	13,795,647	1.32
1983	13,601,866	1.32
1982	13,543,638	1.31
1981	13,583,284	1.82

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Systems group	$ 511,000	$ 514,000
Information network svcs. group	92,000	93,400
Industry services group	120,500	104,800
Total	$ 723,500	$ 712,200

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 186,221,000	$ 13.56
1984	158,327,000	11.60
1983	138,676,000	10.20
1982	119,681,000	8.81
1981	101,191,000	7.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account
(000's)

Year ended	3/29/85	3/30/84
Revenues	$ 723,493	$ 712,224
Cost of services	593,294	584,109
Overhead	62,373	60,410
Depreciation & amortization	20,201	19,981
Interest expense	6,840	5,253
Interest & other income	(1,963)	(1,499)
Expenses	11,191	13,487
Gain from sale of oper.	(9,500)	—
Income before taxes	$ 41,057	$ 30,483
Income taxes	13,339	12,217
Net Income	$ 27,718	$ 18,266

Assets
(000's)

As of	3/29/85	3/30/84
Cash	$ 9,921	$ 6,664
Short-term invest.	8,090	6,106
Receivables	263,403	255,171
Prepaid expenses & other assets	8,260	7,173
Current Assets	$ 289,674	$ 275,114
Investments	50,984	38,094
#Fixed Assets	90,745	84,786
Total Assets	$ 431,403	$ 397,994

Liabilities
(000's)

Notes payable	$ 18,157	$ 22,635
Long-term debt., curr.	1,891	895
Accts. payable	22,787	36,806
Accruals	26,276	18,879
Accrued payroll	38,639	36,697
Advance contract payments	8,504	13,094
Income taxes	80,472	68,120
Curr. Liabilities	$ 196,726	$ 197,126
Long-term debt	13,519	5,104
6% sub. conv. deben.	34,937	37,437
+ Common stock	14,960	14,942
Add. paid-in capital	13,888	13,624
Retained earnings	168,202	140,484
Cum. curr. trans. res	(850)	(540)
Treasury stock	(9,979)	(10,183)
Total Liabilities & Shareholders' Equity	$ 431,403	$ 397,994

# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.67	4.28
%Net Income to Sales	3.83	2.56
%Net Income to Equity	14.88	11.54
Debt to Equity	0.18	0.18
Working Capital	$ 92,948,000	$ 77,988,000
Current Ratio	1.47	1.40
Shareholders' Equity	$186,221,000	$158,327,000

Computer Specialties Corporation

544 Tenth Street
Palisades Park, New Jersey 07650
(201) 947-0500

Officers: Edward Silver, president & treasurer; Lawrence Peskin, secretary.

Directors: Gerald Epner, Lawrence Peskin, Edward Silver.

Areas of Work: Involved in the manufacture and sale of micrographic equipment. Its products include PEPCO MFC Automatic Microfiche Cutter, the PEPCO MFI Microfiche Inspectors, and the PEPCO RPC roll paper cutter.

Divisions:

PEPCO Division

Transfer Agent(s):

Continental Stock Transfer & Trust Company

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	4
1984	5
1983	5
1982	6
1981	7

Plant Footage:

1985	3,750 sq. ft.
1984	3,750
1983	3,750
1982	3,750
1981	3,750

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 278,994	$ 751
1984	242,760	23,838
1983	275,000	42,910
1982	301,258	71,084
1981	345,786	69,578

	No. of Com. Shares	Earn. per Share ‡†
1985	292,760	$ 0.02
1984	292,760	0.07
1983	292,760	0.15
1982	292,760	0.24
1981	292,760	0.24

‡ Including extraordinary loss of $18,081 ($0.07 per share) in 1984.
† Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 651,821	$ 2.23
1984	651,070	2.22
1983	627,232	2.14
1982	584,322	2.00
1981	513,238	1.75

Income Account *

Year ended June 30	1985	1984
Net sales	$ 278,994	$ 242,760
Cost of sales	130,270	141,318
Expenses	105,653	111,800
Oper. profit (loss)	$ 43,071	$ (10,358)
Other expense (income)	44,704	(54,296)
Income (loss) bef. taxes	$ (1,633)	$ 43,938
Income taxes (credit)	(2,384)	2,019
Net Income	$ 751	$ 41,919
Extraord. loss	—	(18,081)
Net Income & Extraord. loss	$ 751	$ 23,838

* Included in Costs and Expenses, Depreciation and Amortization: $4,897 in 1985 and $10,791 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 13,863	$ 14,387
Marketable securities	464,127	399,502
Accts. receiv., net	41,070	37,256
Notes receivable	9,319	9,319
*Inventories	100,236	85,323
Prepaid expenses & other receiv.	4,309	1,037
Current Assets	$ 632,924	$ 546,824
#Fixed assets	11,375	15,333
Other assets	28,150	108,970
Total Assets	$ 672,449	$ 671,127

Liabilities

Accts. payable	$ 6,070	$ 5,305
Accruals	13,236	6,323
Curr. Liabilities	$ 19,306	$ 11,628
Deferred taxes	1,322	8,429
+ Common stock	29,276	29,276
Add. paid-in capital	818,138	818,138
Retained earnings (deficit)	(195,593)	(196,344)
Total Liabilities & Shareholders' Equity	$ 672,449	$ 671,127

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	18.10
%Net Income to Sales	0.27	17.27
%Net Income to Equity	0.12	6.44
Sales to Inventories	2.78	2.85
Working Capital	$613,618	$535,196
Current Ratio	32.78	47.03
Shareholders' Equity	$651,821	$651,070

Computer Terminal Systems, Inc.

(Operating under Chapter XI of the U.S. Bankruptcy Code)

89 Arkay Drive
Hauppauge, New York 11788
(516) 435-2900

Officers: Gerald Schoenberg, president & chief executive officer; Edward Mermelstein, sr. v.p. & secretary; Elio Carlino, treasurer; Eugene J. Kelly, sr. v.p.-finance; Gerhard Schneider, v.p.-operations; Kenneth S. Oliver, v.p.-marketing; Bernard J. Stein, v.p.-engineering; Judith C. Hansen, secretary & executive asst. to president.

Directors: Edward Mermelstein, Kenneth Sonnenberg, Gerald Schoenberg, Donald W. Blood, David Gladstone, Eugene J. Kelly, Ronald D. Heath.

Computer Terminal Systems, Inc.

Areas of Work: Manufactures computer peripheral equipment, digital printers and industrial controls.

Transfer Agent(s):

Computer Terminal Systems, Inc.
Hauppauge, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTML (NASDAQ)

Number of Employees:

1984	N.A.	1981	90
1983	N.A.	1980	55
1982	N.A.		

Plant Footage:

1984	56,000 sq. ft.	1981	17,000
1983	56,000	1980	15,000
1982	56,000		

N.A.-Not Available.

Sales and Earnings

	Net Sales	Net Income
1984	$ 8,654,189	$ (24,224)
1983	5,527,941	(232,615)
1982	5,378,336	(290,000)
1981	4,191,306	148,000
1980	3,678,890	345,000

	No. of Com. Shares +	Earn. per Share +
1984	1,487,002	$ —
1983	1,445,418	—
1982	1,445,430	—
1981	1,445,430	0.10
1980	1,445,438	0.24

(Loss)
+ Adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1984	$ 1,219,969	$ 0.82
1983	1,097,547	0.76
1982	1,330,162	0.92
1981	1,620,281	1.12

+ Adjusted to reflect stock splits.

Income Account *

Year ended April 30	1984	1983
Net sales	$ 8,654,189	$ 5,527,941
Cost of sales	6,227,404	4,059,533
Expenses	1,789,230	1,475,844
Other expense	646,880	244,779
Prov. for loss on invest.	14,899	293,000
Loss bef. taxes	$ (24,224)	$ (545,215)
Tax credit	—	(312,600)
Net Loss	$ (24,224)	$ (232,615)

* Included in Costs and Expenses, Depreciation and Amortization. $271,214 in 1984 and $215,120 in 1983.

Assets

As of April 30	1984	1983
Cash	$ 113,389	$ 87,601
Accts. receiv., net	1,522,881	999,511
*Inventories	2,349,378	1,661,836
Prepaid expenses	47,437	22,923
Refund. inc. taxes	12,278	239,394
Deferred income tax benefit	8,300	25,900
Receivables	3,100,000	—
Current Assets	$ 7,153,663	$ 3,037,165
#Fixed assets	1,463,881	4,280,674
Due from affil.	—	22,115
Other assets	41,301	41,432
Total Assets	$ 8,658,845	$ 7,381,386

Liabilities

Loans payable	$ 1,361,840	$ 502,949
Install. debt pay.	203,621	181,919
Notes pay.-contractors	5,571	236,865
Notes pay.-trade	369,165	173,001
Accts. payable	1,536,741	1,529,344
Accruals & other liab.	668,898	364,825
Mortgages payable	2,162,670	—
Curr. Liabilities	$ 6,308,506	$ 2,988,903
Long-term debt	1,083,670	3,155,636
Loan payable-officers	—	75,000
Deferred income taxes	46,700	64,300
+Common stock	148,700	144,542
Add. paid-in capital	701,956	559,468
Retained earnings	369,313	393,537
Total Liabilities & Shareholders' Equity	$ 8,658,845	$ 7,381,386

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	3.68	3.33
Working Capital	$ 845,157	$ 48,262
Current Ratio	1.13	1.02
Shareholders' Equity	$1,219,969	$1,097,547

Computer Transceiver Systems, Inc.

P.O. Box 15
East 66 Midland Avenue
Paramus, New Jersey 07652
(201) 261-6800

Officers: Allen G. Jacobson, president & chief executive officer; Seymour D. Balkin, chief financial officer & controller; Berthold Salz, sr. v.p.; Robert A. Norman, v.p.-marketing; Paul Buccola, v.p.-operation; Donald A. Weigel, v.p.-engineering; Irwin Roth, secretary; Seymour H. Bucholz, asst. secretary.

Directors: Allen G. Jacobson, Robert E. Wernikoff, Robert E. Morris, Michael L. Wolfe, Harry Zimmerman.

Areas of Work: Manufactures portable terminals and painting systems.

Transfer Agent(s):

Chemical Bank
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTSI (NASDAQ)

Number of Employees:

1986	45	1985	68

Plant Footage:

1986	21,000 sq. ft.	1985	21,000

Sales and Earnings

	Net Sales	Net Income
1986	$ 2,681,000	$ (1,352,000)
1985	3,515,000	(1,973,000)
1984	5,164,000	(154,000)
1983	6,489,000	223,000
1982	5,273,000	79,000

	No. of Com. Shares	Earn. per Share ‡
1986	822,805	$ —
1985	812,305	—
1984	800,305	—
1983	790,305	0.28
1982	776,596	0.10

(Loss)
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 627,000	$ 0.76
1985	1,945,000	2.39
1984	3,908,000	4.88
1983	3,996,000	5.06
1982	3,693,000	4.76

Income Account *

Year ended February 28	1986	1985
Net sales	$ 839,099	$ 791,191
Other income	1,841,735	2,724,053
Total income	$ 2,680,834	$ 3,515,244
Cost of sales	1,149,529	1,897,722
Deprec. of leased equip.	287,659	439,776
Equip. serv. exp.	962,664	1,046,263
Expenses	1,662,384	2,000,321
Interest expenses	147,032	153,890
Loss before taxes	$ (1,528,434)	$ (2,022,728)
Tax credit	(176,450)	(50,007)
Net Loss	$ (1,351,984)	$ (1,972,721)

* Included in Costs and Expenses, Depreciation and Amortization: $397,766 in 1986 and $580,427 in 1985.

Assets

As of February 28	1986	1985
Cash	$ 366,504	$ 78,069
Accts. receiv., net	369,105	400,115
Invest. - sales type lease	—	822,545
*Inventories	918,852	1,234,374
Prepaid expenses	29,120	43,955
Current Assets	$ 1,683,581	$ 2,579,058
Equip. leased to others	377,004	748,924
#Fixed assets	227,390	303,729
Other assets	33,109	39,913
Total Assets	$ 2,321,084	$ 3,672,624

Liabilities

Notes payable	$ 500,000	$ 500,000
Accts. payable	266,008	219,943
Accrued liabilities	246,131	177,006
Advances on service contracts	96,491	91,854
Curr. Liabilities	$ 1,108,630	$ 988,803
Long-term debt	585,001	559,393
Deferred income taxes	—	179,000
+Common stock	8,228	8,123
Add. paid-in capital	2,400,288	2,381,894
Retained earnings deficit	(1,748,050)	(396,066)
Deferred compensation	(33,013)	(48,523)
Total Liabilities & Shareholders' Equity	$ 2,321,084	$ 3,672,624

* At lower of cost (FIFO) or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	0.91	0.64
Debt to Equity	1.73	0.54
Working Capital	$574,951,590	$1,590,255
Current Ratio	1.52	2.61
Shareholders' Equity	$ 627,453	$1,945,428

Computervision Corporation

100 Crosby Drive
Bedford, Massachusetts 01730
(617) 275-1800

Officers: Martin Allen, chairman; Robert L. Gable, president & chief executive officer; Lon F. Bonczek, Jr., v.p.-human resources; Richard L. Buckingham, treasurer; Robert Callaway, v.p. & gen. mgr.-operations division; David Friedman, v.p.-Product Technology; Karl H. Geng, v.p. & gen. mgr.-worldwide services; Robert P. Gothie, v.p. & gen. mgr.-international sales; Richard I. Krieger, v.p.-finance & chief financial officer; Victor Larkin, v.p.-business development; Philip L. Read, sr. v.p.; Richard V. Paulson, v.p. & gen. mgr.-research & development; Allan R. Campbell, staff v.p., corp. counsel & asst. secretary; Peter D. Connell, dir.-corp. communications.

Directors: Martin Allen*, chairman; Boruch B. Frusztajer, Robert L. Gable*, Philip L. Read*, Herbert Roth, Jr.*, Robert C. Wilson.

* Member of the Executive Committee.

Areas of Work: Engaged primarily in the design, development, manufacture and marketing of computer-controlled systems which automate critical phases of the product cycle, including concept development, detailed design drafting, and production. These systems, which include both hardware and software, enable customers to automate certain repetitive design and manufacturing processes which generally are performed manually with conventional equipment. The Company's products are used in the design and preparation of graphical data in a wide spectrum of industries, including the automotive, aerospace, communication, electronics, and mapping industries, and in automated production and testing in the electronics and semiconductor industries, and architectural and construction firms for structural designs.

Divisions and Subsidiaries:

Computervision B.V.
Rotterdam, Holland

Computervision AB
Bromma, Sweden

Computervision Oy
Helsinki, Finland

Computervision S.A.
Paris, France

Computervision GmbH
Munich, West Germany

Computervision, S.p.A.
Milan, Italy

Computervision, Limited
Basingstoke, England

Computervision, N.V.
Brussels, Belgium

Computervision do Brasil
Industria E Comercio Limitada
Sao Paulo, Brazil

Computervision Japan, Ltd.
Tokyo, Japan

Computervision A/S
Oslo, Norway

Computervision de Espana, S.A.
Madrid, Spain

Computervision Australia, Ltd.
Australia

Computervision Canada Inc.
Ontario, Canada

Computervision Designer Systems (HK) Ltd.
Hong Kong

Computervision (Europe) Inc.
Hayes, England

Computervision Danmark A/S
Copenhagen, Denmark

Computervision Applied Graphics Systems AG
Zurich, Switzerland

Computervision Produktion GmbH
West Germany

Organization for Industrial Research Division
Waltham, MA

Grado Software und Computer Systeme GmbH
West Germany

Cambridge Interactive Systems Limited
United Kingdom

OIR Europe Inc.
Holland

Computervision China, Inc.
Beijing, China

Computervision Productivity Centre, Ltd.
Hayes, England

CV Holdings, Inc.
Bedford, Massachusetts

CIS MEDUSA, INC.
Bedford, Massachusetts

Computervision Handelsgessellschaft m.b.H.
Wein, Austria

Computervision Coordination Centre S.A.
Brussels, Belgium

Designer Systems Insurance Ltd.
Bermuda

Computervision Industries S.A.
Nancy, France

CIS Medusa B.V.
Rotterdam, Holland

Computervision Foreign Sales BV
Holland

Computervision UK Holdings Ltd.
England

CIS, Inc.
Cambridge, Massachusetts

Computervision Produktion GmbH
West Germany

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: CVN

Number of Employees:

1985	4,770	1982	4,130
1984	6,530	1981	3,800
1983	5,070		

Plant Footage:

1985	1,915,000 sq. ft.	1982	1,537,000
1984	2,180,000	1981	1,361,000
1983	1,850,000		

Sales and Earnings

	Revenues #	Net Income +
1985	$ 441,137,000	$ (80,777)
1984	556,342,000	47,726,000
1983	400,032,000	35,340,000
1982	325,185,000	32,381,000
1981	270,706,000	31,763,000

	No. of Com. Shares †	Earn. per Share ‡ +
1985	28,724,553	$ —
1984	28,621,030	1.66
1983	28,320,808	1.24
1982	27,410,562	1.18
1981	27,295,905	1.16

(Loss)
# Of continuing operations only.
+ Including extraordinary gain of $3,715,000 ($0.13 per share) in 1984.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding, including shares issuable under stock options adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 186,227,000	$ 6.49
1984	263,366,000	9.20
1983	219,995,000	7.77
1982	179,780,000	6.56
1981	144,993,000	5.31

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 441,137,000	$ 556,342,000
Cost of sales	287,390,000	255,813,000
Expenses	265,488,000	226,828,000
Other expense (income)	2,141,000	(820,000)
Interest expense	16,207,000	7,265,000
Interest income	(2,312,000)	(2,470,000)
Inc. (loss) bef. taxes	$ (127,777)	$ 69,726,000
Income taxes	47,000	22,000,000
Inc. (loss) -cont. oper.	$ (80,777)	$ 47,726,000
Loss - discont. oper.	—	(10,000,000)
Net Income (Loss)	$ (80,777)	$ 37,726,000
Extraord. gain	—	3,715,000
Net Income (Loss) & extraord. gain	$ (80,777)	$ 41,441,000

* Included in Costs and Expenses, Depreciation and Amortization: $57,595,000 in 1985 and $40,677,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,627,000	$ 1,956,000
Investments	13,675,000	55,608,000
Accts. receiv., net	130,196,000	182,237,000
Refund. inc. taxes	36,264,000	—
*Inventories	51,553,000	63,272,000
Prepaid expenses	5,949,000	5,711,000
Current Assets	$ 240,264,000	$ 308,784,000
#Fixed assets	139,615,000	156,788,000
Serv. spares & materials	47,561,000	50,458,000
Other assets & notes receiv.	11,075,000	22,427,000
Total Assets	$ 438,515,000	$ 538,457,000

Liabilities

Notes payable, long-term debt & cap. lease oblig., curr.	$ 19,323,000	$ 19,469,000
Accts. payable	33,510,000	45,803,000
Accruals	43,758,000	45,346,000
Accrued income taxes payable	7,069,000	11,712,000
Curr. Liabilities	$ 103,660,000	$ 122,330,000
Long-term debt	34,503,000	34,024,000
Convertible sub. debtures	110,000,000	110,000,000
Deferred income taxes & credits	4,125,000	8,737,000

+Common stock	1,436,000	1,431,000
Add. paid-in capital	80,267,000	78,285,000
Retained earnings	103,360,000	184,137,000
Cum. trans. adj.	1,164,000	(487,000)
Total Liabilities & Shareholders' Equity	$ 438,515,000	$ 538,457,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	12.53
%Net Income to Sales	—	6.78
%Net Income to Equity	—	14.32
Sales to Inventories	8.56	8.79
Debt to Equity	0.29	0.20
Working Capital	$136,604,000	$186,454,000
Current Ratio	2.32	2.52
Shareholders' Equity	$186,227,000	$263,366,000

Comtech Inc.

North Shore Atrium II
6900 Jericho Turnpike
Syosset, New York 11791
(516) 496-7040

Officers: F. Kornberg, chairman of the board & chief executive officer; G.A. Reed, president & chief operating officer; Earle Schaller, Milton L. Deever, Leonard Kardon, William R. McEwen, Jr., v.p.'s.; Joseph P. Scherer, v.p., general counsel & secretary; *Michael H.* Taber, controller & treasurer.

Directors: F. Kornberg, chairman; B. Adler, G. Bugliarello, M.L. Deever, S.S. Weiner, G. Reed, J. Schein, J. Davis.

Areas of Work: Designs and markets fully integrated communication terminals, including antennas; receiving and transmitting systems for satellite communication earth stations and for microwave and troposcatter communications using FM, video, voice and digital data signals; high power and low noise amplifiers for communication, radar and ECM applications; communication system test equipment; digital communication systems; SCPC equipment; digital modems, coders, decoders, signal processing and switching equipment; CATV earth station.

Divisions and Subsidiaries:

Comtech Data Corporation
Scottsdale, Arizona

Comtech Microwave Corp.
Hauppauge, New York

Premier Microwave Corp.
Port Chester, New York

Comtech Government Systems Division
Hauppauge, New York

Comtech Antenna Corp.
St. Cloud, Florida

Acquisition(s):

Premier Microwave Corporation
33 New Broad Street
Port Chester, New York 10573
(914) 939-8900

Designs, manufactures and markets microwave components including coaxial and wave-guide components and printed circuit analogs of these components.

Comtech Communications Corp.
6150 Lookout Road
Boulder, Colorado 80301

Produces microprocessor-controlled telephone voice concentrating/multiplexing and related equipment.

Transfer Agent(s):

American Transfer Co.
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CMTL (NASDAQ)

Number of Employees:

1983	730	1982	520

Plant Footage:

1983	290,000 sq. ft.	1982	226,000

Sales and Earnings

	Net Sales +	Net Income #
1983	$ 36,589,000	$ 1,409,000
1982	33,487,000	2,380,000
1981	31,669,000	1,194,000
1980	25,221,000	(10,670,000)
1979	30,496,000	941,000

	No. of Com. Shares †	Earn. per Share ‡#
1983	3,844,465	$ 0.36
1982	3,735,232	0.64
1981	3,557,066	0.33
1980	3,492,946	—
1979	3,478,746	0.26

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $1,024,000 ($0.28 per share) in 1982 and $585,000 ($0.16 per share) in 1981.
† Adjusted to reflect stock dividend.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1983	—	—	—
1982	—	—	—
1981	—	—	—
1980	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1983	$ 10,042,000	$ 2.61
1982	5,625,000	1.51
1981	2,854,119	0.80
1980	1,241,651	0.36
1979	11,770,523	3.38

† Adjusted to reflect stock dividend.

Income Account *

Year ended July 31	1983	1982
Net sales	$ 36,589,000	$ 33,487,000
Cost of sales	24,658,000	23,232,000
Expenses	8,763,000	6,528,000
Interest expense	1,122,000	1,312,000
Gain on sale of assets	—	(248,000)
Income before taxes	$ 2,046,000	$ 2,663,000
Income taxes	680,000	1,164,000
Inc. cont. oper.	$ 1,366,000	$ 1,499,000
Inc. (loss)-discont. oper.	43,000	(143,000)
Net Income	$ 1,409,000	$ 1,356,000
Extraord. gain	—	1,024,000
Net Income & Extraord. gain	$ 1,409,000	$ 2,380,000

* Included in Costs and Expenses, Depreciation and Amortization: $937,000 in 1983 and $693,000 in 1982.

Assets

As of July 31	1983	1982
Cash & short-term invest.	$ 2,780,000	$ 4,316,000
Accts. receiv., net	11,666,000	5,662,000
*Inventories	14,760,000	3,516,000
Other curr. assets	825,000	213,000
Current Assets	$ 30,031,000	$ 13,707,000
#Fixed assets	10,394,000	5,278,000
Other assets	1,738,000	694,000
Total Assets	$ 42,163,000	$ 19,679,000

Liabilities

Accts. payable	$ 2,570,000	$ 1,233,000
Accruals & taxes withheld	5,506,000	3,291,000
Adv. contract pay. receiv.	204,000	690,000
Est. loss on contracts	2,307,000	2,517,000
Long-term debt, curr	1,285,000	356,000
Curr. Liabilities	$ 11,872,000	$ 8,087,000
Long-term debt.	19,687,000	5,967,000
Def. inc. taxes pay.	562,000	—
+Common stock	385,000	374,000
Add. paid-in capital	6,729,000	3,732,000
Retained earnings	2,928,000	1,519,000
Total Liabilities & Shareholders' Equity	$ 42,163,000	$ 19,679,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	14.03	24.11
Sales to Inventories	2.48	9.52
Working Capital	$18,159,000	$5,620,000
Current Ratio	2.53	1.69
Shareholders' Equity	$10,042,000	$5,625,000

Conrac Corporation

Three Landmark Square
Stamford, Connecticut 06901
(203) 348-2100

Officers: Donald H. Putnam, president & chief exec. officer; Paul E. Graf, president & chief operating officer; Clyde W. Kaertcher, v.p.-finance; Joseph O'Donnell, v.p. & group mgr.; Thomas J. Harriman, v.p.-development; Lawrence M. Ryan, v.p.; Robert J. Ersen, secretary; Joseph F. Smorada, controller.

Directors: Walter Burke*, Daniel T. Carroll*, John C. Lowe, Donald H. Putnam, Arthur H. Thornhill, Jr., Frederick S. Wonham, Thomas K. Denton*, Paul E. Graf. Barry J. Gordon, J. Markham Green.

* Member of the Executive Committee.

Divisions and Subsidiaries:

Code-A-Phone Corp.
16261 S.E. 130th Avenue
Clackamas, Oregon 97015

Manufactures call controllers, sequences, telephone answering machines.

Alston Division
1724 S. Mountain Avenue
Duarte, California 91010
(213) 357-2121

Manufactures telephone traffic monitoring equipment, telephone service observing equipment and telephone billing equipment.

Goodrich Division
3560 Chicago Drive
Hudsonville, Michigan 49426
(616) 669-1000

Automatic welding equipment, resistance welding transformers.

Rixson-Firemark Division, Inc.
9100 West Belmont Avenue
Franklin Park, Illinois 60131
(312) 671-5670

Smoke-operated door closers, concealed and overhead closers, external and internal door pivots, fire and intrusion protection products.

Conrac Division
600 N. Rimsdale Avenue
Covina, California 91722
(213) 966-3511

Computer graphic displays, video monitors, alpha-numeric CRT displays.

Conrac Elektron GmbH (Subsidiary)
Weikersheim, Germany
Electronic teaching products, computer peripheral equipment, large audience information displays.

Systems Components & Displays Division
1600 S. Mountain Avenue
Duarte, California 91010
(213) 359-9141
Products include aerospace transducers, mil-spec video displays, aircraft control systems.

Transfer Agent(s):

Harris Trust Co. of New York
110 William Street
New York, New York 10038

Stock Exchange(s): New York, Pacific

Ticker Symbol: CAX

Number of Employees:

1985	1,391	1982	1,638
1984	1,603	1981	1,785
1983	1,905		

Plant Footage:

1985	666,000 sq. ft.	1982	698,000
1984	N.A.	1981	698,000
1983	864,000 sq. ft.		

N.A.-Not Available.

Sales and Earnings

	Net Sales †	Net Income
1985	$ 150,289,000	$ 7,231,000
1984	154,284,000	13,013,000
1983	141,136,000	6,985,000
1982	116,261,000	8,065,000
1981	114,708,000	3,251,000

	No. of Com. Shares +	Earn. per Share + #
1985	6,030,000	$ 1.19
1984	6,012,000	2.12
1983	6,161,000	1.18
1982	4,536,000	1.76
1981	4,339,000	0.67

† Of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the average number of common shares outstanding assuming no dilution.

Revenues By Line of Business

	1985	1984
Info. display	$ 52,630,000	$ 48,444,000
Communications & control	23,774,000	20,962,000
Architectural & indust. products	30,662,000	28,319,000
Code-A-phone	40,014,000	43,125,000
Divested businesses	3,209,000	13,434,000
Total	$ 150,289,000	$ 154,284,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.40	—	—
1984	0.40	—	—
1983	0.40	—	2-for-1
1982	0.40	—	—
1981	0.40	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1985	$ 90,433,000	$ 15.00
1984	85,113,000	14.16
1983	76,634,000	12.44
1982	47,163,000	10.40
1981	38,163,000	8.80

‡ After allowing for preferred stock, Series A and Series B at liquidation value of $50 per share.
+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 150,289	$ 154,284
Cost of sales	109,920	114,857
Expenses	25,996	27,732
Interest expense	908	945
Nonrecurring items	—	(15,073)
Income before taxes	$ 13,465	$ 25,823
Income taxes	6,234	12,810
Net Income	$ 7,231	$ 13,013

* Included in Costs and Expenses, Depreciation and Amortization: $3,729,000 in 1985 and $4,072,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 7,239	$ 3,302
Accts. receiv., net	33,760	33,215
*Inventories	35,722	41,825
Prepaid expenses	6,243	9,527
Current Assets	$ 82,964	$ 87,869
#Fixed assets	22,783	23,098
Other assets & intangibles	23,806	22,848
Total Assets	$ 129,553	$ 133,815

Liabilities
(000's)

	1985	1984
Notes payable	$ 7,165	$ 14,858
Long-term debt, current	1,780	1,705
Accts. payable	5,760	7,272
Accrued payroll	3,460	3,469
Income taxes	2,816	3,072
Other liabilities	9,264	8,239
Curr. Liabilities	$ 30,245	$ 38,615
Long-term debt	4,955	7,099
Deferred inc. taxes	2,091	1,159
+ Preferred stock:		
Series A	25	25
Series B	158	158
+ + Common stock	4,078	4,059
Add. paid-in capital	38,055	37,643
Retained earnings	53,478	48,733
For. curr. trans. adj.	201	(217)
Treasury stock	(3,733)	(3,459)
Total Liabilities & Shareholders' Equity	$ 129,553	$ 133,815

* At lower of average cost or market.
# Less accumulated depreciation & amortization.
+ $5 par value; $2 cumulative convertible.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.96	16.74
%Net Income to Sales	4.81	8.43
%Net Income to Equity	7.84	14.97
Sales to Inventories	4.21	3.69
Debt to Equity	0.07	0.10
Working Capital	$52,719,000	$49,254,000
Current Ratio	2.74	2.28
Shareholders' Equity	$92,262,000	$86,942,000

Control Data Corporation

8100 34th Avenue South
Minneapolis, Minnesota 55420
(612) 853-8100

Mailing address:
P.O. Box 0
Minneapolis, Minnesota 55440

Officers: Robert M. Price, chairman of the board, president & chief exec. officer; Norbert R. Berg, deputy chairman; Eugene L. Baker, v.p.-resource management services; Walter H. Bruning, president-United School Services of America, Inc.; Joseph D. Minutilli, chairman, president & chief exec. officer-Commercial Credit Co.; Gordon R. Brown, sr. v.p.-business ventures; Franklin R. Dawe, v.p.-personnel & administration; Robert W. Duncan, sr. v.p.-corp. marketing & strategic development; Jack J. Karnowski, v.p. & treasurer; Thomas W. Miller, president-Technical Support Services Group; Lawrence Perlman, pres.-data storage products group; L. Charles Roskam, sr. v.p.-operations, finance & controller; Herbert F. Trader, president-Business Development Group; George F. Troy, v.p.-corp. planning & analysis; Henry J. White, sr. v.p.-operations; Daniel R. Pennie, v.p., gen. counsel & secretary; David P. White, president-Business Services Group; Larry E. Jodsas, president-Computer Systems & Services Group; Thomas C. Roberts, president-international operations; Frank J. Ryan, v.p.-communications.

Directors: William C. Norris, Russell A. Nelson, Bernard A. Schriever, Judson Bemis, Norbert R. Berg*, Robert M. Price*, Richard G. Lareau*, Leroy F. Stutzman, James C. Worthy, Lois Dickson Rice, Michael W. Wright, Ralph Hofstad, Ruth M. Davis, Robert W. Duncan, Lawrence Perlman, Henry J. White.
* Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets computers, ranging from very large to small in size, and used in education, engineering, general data processing and specialized control systems worldwide; also makes and markets industrial instruments and controls and aerospace products. Markets computer peripheral equipment, including disk drives, magnetic tape transports, printers, card readers, card punches, terminals, data entry systems, mass storage systems and computer supplies, such as disk packs and magnetic tape. Provides computer services, data services utilizing communications networks and major computer centers, processes scientific, engineering and business data. Professional services include maintenance, architectural design, consulting and education. Commercial Credit Company, a wholly-owned subsidiary, provides financial services through more than 800 offices in the U.S., Canada, Europe and Asia. These include personal loans, installment financing, business loans and leasing services, vehicle and equipment leasing, factoring, real estate financing, and life, health, credit and casualty insurance.

Divisions and Subsidiaries:

Computer Systems and Services Group
Business Services Group
Business Development Group
Data Storage Products Group
Government Systems Group
Technical Support Service Group
United School Services of America, Inc.

Commercial Credit Company
Financial services.

ARB (American Research Bureau), Inc.
4320 Ammendale Road
Beltsville, Maryland 20705

Autocon Industries, Inc.
2200 Berkshire Lane
Minneapolis, Minnesota 55427

ETA Systems, Inc.
Designs, manufactures and markets scientific computers.

The Service Bureau Corporation
1350 Avenue of the Americas
New York, New York 10019

Joint Ventures:

Magnetic Peripherals, Inc. (67% owned)
Computer Peripherals, Inc. (80% owned)
Optical Storage International (49% owned)
Product emphasis in the joint ventures is on high-performance, high-capacity drives for microcomputers, engineering workstations, mini computers and mainframes.

Control Data Corporation

Transfer Agent(s):

First Trust Company, Inc.
P.O. Box 64008
St. Paul, Minnesota 55164

First Trust Company, Inc.
c/o Bradford Trust
67 Broad Street
New York, New York 10004

Stock Exchange(s): New York, Midwest, Pacific, Toronto, Frankfurt, Lausanne, Geneva, Zurich, Basle, Amsterdam.

Ticker Symbol: CDA

Number of Employees:

1985	44,308	1982	56,005
1984	54,123	1981	60,627
1983	55,858		

Sales and Earnings ×

	Revenues (000's)	Net Income (000's)
1985	$ 3,679,700	$ (567,500)
1984	3,692,600	5,100
1983	3,407,800	161,700
1982	3,182,600	155,100
1981	3,101,300	170,600

	No. of Com. Shares ‡	Earn. per Share ‡
1985	39,022,000	$ —
1984	38,520,000	0.12
1983	38,338,000	4.20
1982	37,595,000	4.11
1981	37,735,000	4.48

(Loss)
× Restated to reflect change in accounting for investment in Commercial Credit, a wholly-owned financial services subsidiary, from consolidation to recording it on an equity basis.
‡ Based on the weighted average number of common stock and common stock equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.54	—	—
1984	0.66	—	—
1983	0.60	—	—
1982	0.550	—	—
1981	0.475	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity ×

	Total Equity ‡ (000's)	Equity Per Share
1985	$ 1,191,600	$ 29.21
1984	1,747,500	45.63
1983	1,814,000	47.59
1982	1,713,500	46.10
1981	1,564,100	42.20

× Restated.
‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984 ‡
Net sales & rentals	$ 2,125,600	$ 2,355,000
Services	1,554,100	1,337,600
Total revenues	$ 3,679,700	$ 3,692,600
Cost of sales & rentals	1,683,000	1,596,900
Cost of services	899,100	765,800
Expenses	752,800	742,800
Technical expenses	438,300	416,900
Interest expense	115,700	90,000
Oper. & invest. restruc.	274,800	130,200
Loss before taxes	$ (484,000)	$ (50,000)
Income taxes (credit)	43,700	(30,800)
Minority interest	35,000	25,300
Net loss (earn.) of Commercial Credit	4,800	(49,600)
Net Income (Loss)	$ (567,500)	$ 5,100

* Included in Costs and Expenses, Depreciation and Amortization: $208,600,000 in 1985 and $199,000,000 in 1984.
‡ Restated.

Assets
(000's)

As of Dec. 31	1985	1984 ‡
Cash	$ 81,400	$ 49,600
Accts. receiv., net	566,900	621,400
*Inventories	656,400	864,500
Deferred inc. taxes	16,400	5,700
Prepaid expenses	17,900	21,700
Current Assets	$ 1,339,000	$ 1,562,900
Investments	999,100	1,050,000
†Leased & data ctr. equip.	414,000	428,900
Other assets	102,100	135,400
Defer. inc. taxes	—	42,800
Total Assets	$ 3,072,500	$ 3,489,200

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 413,200	$ 118,100
Amts. due Commercial Credit	93,200	127,600
Accts. payable	238,000	290,400
Cust. advances	151,600	189,100
Accrued taxes	43,900	45,200
Accrued payroll	115,100	105,900
Other accruals	405,200	222,500
Curr. Liabilities	$ 1,460,200	$ 1,098,800
Long-term debt	96,200	322,600
Amts. due Comm. Credit	141,600	179,200
Minority interest	69,400	68,300
Deferred inc. taxes	18,600	—
Other liabilities	83,900	61,500
+ Preferred stock	11,000	11,300
+ + Common stock	20,600	19,300
Add. paid-in capital	550,200	511,200
Retained earnings	763,900	1,352,800
For. curr. trans. adjust.	(98,200)	(119,900)
Other items	(44,900)	(15,900)
Total Liabilities & Shareholders' Equity	$ 3,072,500	$ 3,489,200

‡ Restated.
* At lower of cost (FIFO or average) not in excess of realizable values.
# Less accumulated depreciation and amortization.
† Less accumulated depreciation.
+ $100 par value; 4½% cumulative.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	—
%Net Income to Sales	—	0.22
%Net Income to Equity	—	0.29
Debt to Equity	0.42	0.25
Working Capital	—	$ 464,100,000
Current Ratio	—	1.42
Shareholders' Equity	$1,202,600,000	$1,758,800,000

Control Laser Corporation

7503 Chancellor Drive
Orlando, Florida 32809
(305) 851-2540

Officers: Robert D. van Roijen, Jr., chairman; B.G.L. Switzer, president; J. Allan Krul, exec. v.p. & chief operating officer; Roy D. Ray, John F. Rogers, William Walton, v.p.'s; I. Townsend Burden, III, secretary; H. Bowen Gillespie, controller.

Directors: Robert D. van Roijen, Jr., chairman of the board; I. Townsend Burden III, Childs F. Burden, Robert L. Tull.

Areas of Work: Engaged in the development, manufacture and marketing of high powered industrial lasers. Solid state lasers, gas lasers, dye lasers and accessories are marketed to original equipment manufacturers, universities and laboratories.

Subsidiaries:

Control Laser Limited
Broad March
Long March Industrial Estate
Daventry, Northants
England NN11 4NR

Holobeam Laser, Inc.
Laser Cybernetics

Transfer Agent(s):

Barnett Bank Trust Company, N.A.
Jacksonville, Florida

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CLSR (NASDAQ)

Number of Employees:

1985 217

Plant Footage:

1985 . . . . . . 75,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 15,533,928	$ (978,645)
1984	15,806,790	(1,733,213)
1983	15,980,792	(5,119,764)
1982	13,240,145	(1,259,260)
1981	14,202,404	1,429,914

	No. of Com. Shares †	Earn. per Share †
1985	3,128,244	$ —
1984	3,118,163	—
1983	3,109,141	—
1982	3,094,385	—
1981	3,050,256	0.47

(Loss)
+ Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 7,024,385	$ 2.25
1984	7,671,053	2.46
1983	9,341,031	3.00
1982	14,593,094	4.72
1981	15,741,699	5.16

‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 15,533,928	$ 15,806,790
Cost of sales	9,365,893	12,840,262
Expenses	6,088,765	8,430,507
Interest expense	742,528	873,228
Gain on sale	—	(5,842,005)
Loss on market. secur.	—	1,123,343
Other expense	315,387	74,668

Loss before taxes	$ (978,645)	$ (1,693,213)
Income taxes	—	40,000
Net Loss	$ (978,645)	$ (1,733,213)

* Included in Costs and Expenses, Depreciation and Amortization: $690,871 in 1985 and $837,305 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,508	$ 171,127
Marketable securities	—	5,551,205
Accts. receiv., net	3,857,101	2,019,925
Investment	59,009	60,693
Notes receiv	158,475	—
*Inventories	6,394,830	6,229,687
Prepaid expenses	191,722	81,649
Current Assets	$ 10,663,645	$ 14,114,286
#Fixed assets	3,113,231	3,131,829
Other assets	768,924	487,586
Total Assets	$ 14,545,800	$ 17,733,701

Liabilities

Bank overdraft	$ 1,088,221	$ —
Oblig. under cap. leases, curr.	92,753	87,203
Accts. payable	1,156,477	983,816
Notes payable	236,742	—
Accruals	1,638,713	1,586,835
Curr. Liabilities	$ 4,212,906	$ 2,657,854
Long-term debt	3,135,879	7,139,412
Oblig. under cap. leases	172,630	265,382
+ Common stock	31,315	31,269
Add. paid-in capital	12,330,239	12,310,915
Retained earnings (deficit)	(5,039,059)	(4,060,414)
Unrealized currency losses	(294,743)	(607,350)
Treasury stock	(3,367)	(3,367)
Total Liabilities & Shareholders' Equity	$ 14,545,800	$ 17,733,701

* At lower of cost (FIFO or accumulated production costs) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	2.43	2.54
Debt to Equity	0.48	0.98
Working Capital	$6,450,739	$11,456,432
Current Ratio	2.53	5.31
Shareholders' Equity	$7,024,385	$7,671,053

Convergent Technologies, Inc.

2700 North First Street
San Jose, California 95150
(408) 434-2848

Officers: Paul C. Ely, Jr., president & chief exec. officer; William R. Harris, v.p. & chief manufacturing officer; Richard G. Meise, v.p. & chief marketing officer; John M. Russell, v.p. & chief financial officer; Eric D. Carlson, v.p.; Zoltan A. Csimma, v.p.-human resources; Richard L. Fischer, controller; Scott C. Neely, secretary.

Directors: Paul C. Ely, Jr., William G. Ouchi, Richard J. Riordan, William D. Rollnick, Larry W. Sonsini, James A. Unruh.

Areas of Work: Develops, manufactures and markets microprocessor-based computers and computer systems used in a variety of networked computing applications.

Transfer Agent(s):

Bank of America NT&SA
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CVGT

Number of Employees:

1985	1,994	1984	1,666

Sales and Earnings

	Revenues +	Net Income
1985	$ 395,167,000	$ 11,513,000
1984	361,772,000	(13,827,000)
1983	163,213,000	14,903,000
1982	96,462,000	11,915,000
1981	13,105,000	777,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	36,314,000	$ 0.32
1984	36,164,000	—
1983	37,460,000	0.40
1982	28,675,000	0.42
1981	17,543,000	0.04

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 227,615,000	$ 6.27
1984	213,148,000	5.89
1983	223,560,000	5.97
1982	79,604,000	2.78
1981	12,154,000	0.69

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Product sales	$ 392,248	$ 355,411
Software license sales	2,919	6,361
Total revenue	$ 395,167	$ 361,772
Cost of sales	305,643	310,451
Product development	28,355	18,161
Expenses	47,064	37,631
Other income	(4,025)	(1,761)
Inc. (loss) bef. taxes	$ 18,130	$ (2,710)
Income taxes (credit)	6,617	(3,397)
Income - cont. oper.	$ 11,513	$ 687
Loss - discont. oper.	—	(14,514)
Net Income (Loss)	$ 11,513	$ (13,827)

* Included in Costs and Expenses, Depreciation and Amortization: $15,900,000 in 1985 and $8,946,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & market. secur.	$ 87,362	$ 22,192
Accts. receiv., net	65,348	107,181
Refundable taxes	164	14,259
Deferred taxes	9,736	9,840
*Inventories	63,149	89,881
Prepaid expenses	5,152	4,127
Current Assets	$ 230,911	$ 247,480
Net assets-discont. oper.	—	2,721
#Fixed assets	29,126	24,218
Invest. in affil.	14,830	—
Deferred inc. taxes	873	812
Deposits & other assets	1,686	2,323
Total Assets	$ 277,426	$ 277,554

Liabilities
(000's)

Accts. payable	$ 22,238	$ 26,743
Accruals- discont. oper.	—	2,911
Accrued payroll	10,098	7,079
Accrued warranty exp.	3,305	1,383
Other acruals	7,855	6,027
Income taxes	6,257	—
Curr. Liabilities	$ 49,753	$ 44,143
Revolv. term loan	—	20,000
Other liabilities	58	263
+ Common stock	202,734	200,448
+ Junior common stock	—	205
Notes receiv. from shareholders	(400)	(1,273)
Retained earnings	25,281	13,768
Total Liabilities & Shareholders' Equity	$ 277,426	$ 277,554

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.59	—
%Net Income to Sales	2.91	—
%Net Income to Equity	5.06	—
Debt to Equity	—	0.09
Working Capital	$181,158,000	$203,337,000
Current Ratio	4.64	5.61
Shareholders' Equity	$227,615,000	$213,148,000

Cooper Industries, Inc.

P.O. Box 4446
Houston, Texas 77210
(713) 739-5400

Officers: Robert Cizik, chairman & president; Alan E. Riedel, sr. v.p.-administration; Dewain K. Cross, sr. v.p.-finance; C. Baker Cunningham, exec. v.p.-operations; H. John Riley, Jr., exec. v.p.-operations; Michael J. Sebastian, exec. v.p.-operations; Edgar A. Bircher, v.p. & general counsel; Thomas W. Campbell, v.p.-public affairs; Joseph R. Coppola, sr. v.p.-manufacturing services; D. Bradley McWilliams, v.p.-taxes; Carl J. Plesnicher, Jr., v.p.-employee relations; Roger A. Scott, v.p., secretary & corporate counsel; Lawrence H. Polsky, v.p.-personnel; Alan J. Hill, v.p. & treasurer; William A. Agnew, controller.

Directors: Robert Cizik, chairman; Robert W. Baldwin, C. Roland Christensen, John P. Diesel, Clifford J. Grum, John G. McElwee, John D. Ong, Alan E. Riedel, John M. Stafford, Edward J. Williams.

Areas of Work: The Company is engaged in three primary areas of business: Compression & Drilling Products; Commercial & Industrial Products; and Electrical & Electronic Products. Electrical & Electronics Products operations include manufacture of equipment for primary and secondary distribution of electricity to industrial and commercial users, as well as wire and cable for electronic, transportation and consumer markets. Commercial & Industrial Products operations include manufacture of equipment, hardware, and hand and power tools for the construction, automotive, commercial cleaning, and consumer markets. Compression & Drilling Products operations include support services to oil and natural gas drilling and compression markets, and to the mining and construction industries.

Divisions and Subsidiaries:

ELECTRICAL & ELECTRONIC PRODUCTS

Crouse-Hinds Electrical Construction Materials
Syracuse, New York

Crouse-Hinds Distribution Equipment
Earlysville, Virginia

Cooper Industries, Inc.

Crouse-Hinds Lighting Products
Vicksburg, Mississippi

Belden Electronic Wire and Cable
Richmond, Indiana

Belden Electrical Wire Products
Geneva, Illinois

Arrow Hart
Hartford, Connecticut

Halo Lighting
Elk Grove Village, Illinois

McGraw-Edison Battery Products
Belleville, New Jersey

McGraw-Edison Power Systems
Coraopolis, Pennsylvania

McGraw-Edison Service
Columbus, Ohio

COMMERCIAL & INDUSTRIAL PRODUCTS

Apex
Dayton, Ohio

Campbell Chain
York, Pennsylvania

Cooper Air Tools
Lexington, South Carolina

The Cooper Group
Raleigh, North Carolina

Kirsch
Sturgis, Michigan

Wagner
Parsippany, New Jersey

COMPRESSION & DRILLING PRODUCTS

Ajax
Corry, Pennsylvania

Cooper-Bessemer Reciprocating
Grove City, Pennsylvania

Cooper-Bessemer Rotating
Mt. Vernon, Ohio

Demco
Oklahoma City, Oklahoma

Funk
Coffeyville, Kansas

Industrial Machinery Division
Quincy, Illinois

Gardner-Denver Mining & Construction
Roanoke, Virginia

Martin-Decker
Cedar Park, Texas

Superior
Springfield, Ohio

Acquisition(s):

McGraw-Edison Company
Rolling Meadows, Illinois

Manufacture of fuses, lighting fixtures, power transformers, capacitors and switchgear in the distribution and control of electrical energy; manufacture of automotive parts, tool and hardware products and surface cleaning equipment.

Transfer Agent(s):

First City National Bank of Houston
Houston, Texas

Stock Exchange(s): New York, Pacific

Ticker Symbol: CBE

Number of Employees:

1985	46,000	1982	30,990
1984	30,000	1981	39,000
1983	29,838		

Sales and Earnings

	Revenues + (000's)	Net Income (000's)
1985	$ 3,067,169	$ 135,080
1984	2,029,915	106,864
1983	1,850,280	71,169
1982	2,393,989	135,135
1981	2,866,031	284,545

	No. of Com. Shares †	Earn. per Share †
1985	42,695,000	$ 2.79
1984	42,724,000	2.13
1983	42,909,000	1.29
1982	43,107,000	2.76
1981	44,587,000	6.02

+ Of continuing operations only.
† Based on the weighted average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Compression & drilling equip.	$ 691,884	$ 642,926
Tools & hardware	927,283	586,453
Electrical & electronic prods.	1,425,463	798,310
Other	22,539	2,226
Total	$ 3,067,169	$ 2,029,915

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.52	—	—
1984	1.52	—	—
1983	1.52	—	—
1982	1.52	—	—
1981	1.24	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$1,221,568,000	$ 27.11
1984	1,057,893,000	25.12
1983	1,068,318,000	24.87
1982	1,083,300,000	25.35
1981	1,102,637,000	25.10

‡ After allowing for preferred stock at liquidation values.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Revenues	$ 3,067,169	$ 2,029,915
Cost of sales	2,070,992	1,357,949
Expenses	534,471	368,376
Depreciation & amortization	105,815	73,636
Interest expense	97,723	20,572
Income before taxes	$ 258,168	$ 209,382
Income taxes	123,088	102,518
Net Income	$ 135,080	$ 106,864

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 7,151	$ 9,175
Receiv., net	568,925	337,907
*Inventories	944,231	582,303
Other assets	227,078	69,707
Current Assets	$ 1,747,385	$ 999,092
#Fixed assets	973,235	685,548
Intangibles	863,464	231,803
Investments	51,789	37,255
Total Assets	$ 3,635,873	$ 1,953,698

Liabilities
(000's)

Short-term debt	$ 113,441	$ 9,994
Long-term debt, curr.	11,957	10,723
Accts. payable & accruals	745,546	354,135
Income taxes	50,114	50,345
Curr. Liabilities	$ 921,058	$ 425,197
Long-term debt	1,158,310	156,765
Deferred inc. taxes	238,504	131,593
+ Preferred stock series B	634	689
+ + Preferred stock $2.90 series	2,887	5,484
+ + + Common stock	225,513	220,523
Add. paid-in capital	200,838	255,236
Retained earnings	926,561	871,695
Translation component	(37,408)	(44,247)
Treasury stock	(1,024)	(69,237)
Total Liabilities & Shareholders' Equity	$ 3,635,873	$ 1,953,698

* At lower of cost (primarily LIFO) or net realizable value.
# Less accumulated depreciation.
+ No par value; $2.50 cum. convert.
+ + No par value; $2.90 cum. convert.
+ + + $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.42	10.31
%Net Income to Sales	4.40	5.26
%Net Income to Equity	10.25	8.62
Sales to Inventories	3.25	3.49
Debt to Equity	0.97	0.14
Working Capital	$ 826,327,000	$ 573,895,000
Current Ratio	1.90	2.35
Shareholders' Equity	$1,318,001,000	$1,240,143,000

Corcom, Inc.

1600 Winchester Road
Libertyville, Illinois 60048
(312) 680-7400

Officers: Werner E. Neuman, president; Joseph C. Emma, II, v.p.-sales; Michael B. Head, exec. v.p. & chief operating officer; Eugene F. Migely, Jr., v.p.-marketing; Charles R. Whitchurch, v.p.-finance & treasurer; Walter Roth, secretary.

Directors: Werner E. Neuman, David B. Pivan, Herbert L. Roth, Walter Roth, Gene F. Straube, Renato Tagiuri.

Areas of Work: Manufactures and markets power line interference filters which control radio frequency interference emitted by electronic equipment. The filters prevent malfunctions in electronic devices and suppress noise pollution.

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CORC (NASDAQ)

Number of Employees:

1985	554	1983	1,300
1984	1,285	1982	889

Plant Footage:

1985	N.A.	1983	182,000
1984	233,000 sq. ft.	1982	153,000

N.A.-Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 19,547,000	$ (3,956,000)
1984	32,350,000	2,895,000
1983	26,120,000	1,808,000
1982	20,986,000	1,304,000
1981	19,385,000	1,542,000

	No. of Com. Shares +	Earn. per Share ‡
1985	3,469,964	$ —
1984	3,468,964	0.83
1983	3,453,004	0.61
1982	2,739,304	0.47
1981	2,772,904	0.56

(Loss)

+ Adjusted to reflect stock split.

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share‡
1985	$ 21,974,000	$ 6.33
1984	25,933,000	7.48
1983	22,983,000	7.69
1982	12,224,000	4.42
1981	10,904,000	3.99

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net Sales	$ 19,547,000	$ 32,350,000
Cost of sales	15,122,000	19,944,000
Engineering expenses	1,318,000	1,515,000
Sell., adm. & other expenses	7,734,000	7,807,000
Interest expense (income)	91,000	(596,000)
Prov. for closing plant	870,000	—
Income (loss) bef. taxes	$ (5,588,000)	$ 3,680,000
Income taxes (credit)	(1,632,000)	785,000
Net Income (Loss)	$ (3,956,000)	$ 2,895,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,384,000 in 1985 and $1,129,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,035,000	$ 684,000
Marketable securities	4,298,000	5,308,000
Accts. receiv., net	2,454,000	4,916,000
*Inventories	9,279,000	11,679,000
Federal income taxes	844,000	—
Def. inc. tax benefits	—	507,000
Other cur. assets	626,000	673,000
Current Assets	$ 18,536,000	$ 23,767,000
#Fixed assets	8,857,000	8,976,000
Total Assets	$ 27,393,000	$ 32,743,000

Liabilities

Notes payable	$ 2,154,000	$ 280,000
Long-term debt, curr.	13,000	12,000
Accts. payable	632,000	1,620,000
Income taxes	15,000	59,000
Other accruals	1,398,000	1,335,000
Curr. Liabilities	$ 4,212,000	$ 3,306,000
Long-term debt	1,207,000	1,222,000
Deferred inc. taxes	—	2,282,000
† Common stock	13,384,000	13,376,000
Retained earnings	8,601,000	12,557,000
Treasury stock	(11,000)	—
Total Liabilities & Shareholders' Equity	$ 27,393,000	$ 32,743,000

* At lower of cost (LIFO) or market.

# Less accumulated depreciation and amortization.

† No par value.

Statistical Summary

%Income before Taxes to Sales	—	11.38
%Net Income to Sales	—	8.95
%Net Income to Equity	—	11.16
Sales to Inventories	2.11	2.77
Debt to Equity	0.15	0.06
Working Capital	$14,324,000	$20,461,000
Current Ratio	4.40	7.19
Shareholders' Equity	$21,974,000	$25,933,000

Core Industries Inc.

500 North Woodward
Bloomfield Hills, Michigan 48013
(313) 642-3400

Officers: Harold M. Marko, president; Richard T. Walsh, v.p.-finance; Wendel Calderwood, v.p.; Lawrence J. Murphy, secretary & treasurer; Thomas G. Hooper, controller; staff managers: Dennis R. Mason, audit, Harold Schmidt, manufacturing, William A. Handelman, systems development.

Directors: Harold M. Marko, Richard T. Walsh, Charles W. Elliott, Alan E. Schwartz, Robert G. Stone, Jr., Kenneth J. Whalen.

Areas of Work: A diversified company, manufacturing products within four major groups: electronics, farm equipment, fluid controls and constructions products, and vehicle products.

Divisions and Subsidiaries:

Electronics Group

Amprobe Instrument
Lynbrook, New York
Liquid crystal thermometer, which allows the temperature of equipment to be measured from three separate locations by pressing one button.

Anilam Electronics Corporation
Miami, Florida; United Kingdom, France & Italy
Off-line programming systems for machinists, including eight color graphics high-resolution CRT, machinist-oriented keyboard and a quality printer.

Hilton Industries, Inc.
Sarasota, Florida
Custom winding machines for electronic, military and film capacitor applications.

GSE, Inc.
Farmington Hills, Michigan
Manufacturer of electronic measuring devices and electronic weighing scales.

Great Lakes-Eglinton
Bridgeport, Michigan
Special carbide wheel parts.

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): New York

Ticker Symbol: CRI

Sales and Earnings

	Net Sales †	Net Income
1985	$ 166,020,000	$ 10,805,000
1984	148,335,000	10,744,000
1983	130,016,000	7,371,000
1982	155,672,000	10,077,000
1981	160,953,000	13,710,000

	No. of Com. Shares	Earn. per Share ‡
1985	9,746,000	$ 1.11
1984	9,968,000	1.08
1983	9,967,000	0.74
1982	9,963,000	1.01
1981	9,953,000	1.38

† Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Electronics	38%	40%
Farm equipment	9	12
Fluid controls & construc. prods.	31	31
Vehicle prods.	22	17
Total	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.550	—	—
1984	0.510	—	—
1983	0.470	—	—
1982	0.425	—	—
1981	0.365	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 93,235,000	$ 9.57
1984	90,716,000	9.10
1983	85,052,000	8.53
1982	82,342,000	8.26
1981	76,448,000	7.68

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 166,020,150	$ 148,335,056
Cost of sales	112,603,383	95,405,027
Expenses	32,372,895	31,942,775
Depreciation & amortization	3,679,955	3,529,763
Interest expense	574,137	522,443
Other income	(2,215,608)	(1,198,668)
Income before taxes	$ 19,005,388	$ 18,143,716
Income taxes	8,200,000	7,400,000
Net Income	$ 10,805,388	$ 10,743,716

Assets

As of Aug. 31	1985	1984
Cash	$ 4,332,161	$ 9,742,845
Marketable securities	278,125	1,276,250
Accts. receiv., net	35,745,180	31,417,776
*Inventories	40,801,672	40,150,622
Prepaid expenses	478,166	553,021
Deferred inc. taxes	886,000	996,000
Current Assets	$ 82,521,304	$ 84,136,514
#Fixed assets	22,170,295	21,853,565
Other assets	13,503,331	13,842,216
Total Assets	$ 118,194,930	$ 119,832,295

Liabilities

Long-term debt, curr.	$ 595,000	$ 610,000
Accts. payable	7,328,629	7,921,940
Accrued payroll	7,063,067	8,597,438

Core Industries Inc.

Dividends payable	1,364,374	1,295,830
Income taxes	1,938,442	3,823,425
Curr. Liabilities	$ 18,289,512	$ 22,248,633
Long-term debt	4,650,890	5,307,995
Deferred inc. taxes	2,020,000	1,560,000
+ Common stock	11,103,044	11,092,545
Add. paid-in capital	118,658	76,468
Retained earnings	88,095,988	82,649,404
Treasury stock	(6,083,162)	(3,102,750)
Total Liabilities & Shareholders' Equity	$ 118,194,930	$ 119,832,295

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.45	12.23
%Net Income to Sales	6.51	7.24
%Net Income to Equity	11.59	11.84
Sales to Inventories	4.07	3.69
Debt to Equity	0.06	0.07
Working Capital	$64,231,792	$61,887,881
Current Ratio	4.51	3.78
Shareholders' Equity	$93,234,528	$90,715,667

Corning Glass Works

Houghton Park
Corning, New York 14831
(607) 962-9000

Officers: James R. Houghton, chairman; Thomas C. MacAvoy, Van C. Campbell, vice-chairmen; Richard Dulude, president-Electronics and Telecommunications group; E. Martin Gibson, president-Health and Science Group; Amory Houghton, Jr., chairman of executive committee; Roger G. Ackerman, president-Specialty Glass and Ceramics Group; James L. Flynn, sr. v.p. & treasurer; William C. Ughetta, sr. v.p., secretary & general counsel; Kenneth W. Freeman, v.p. & controller.

Directors: James R. Houghton, chairman; Amory Houghton, Jr., Van C. Campbell, Thomas C. MacAvoy, Mary L. Bundy, Francis H. Burr, John B. Coburn, Robert L. Genillard, Carla A. Hills, James W. Kinnear, Edward L. Palmer, Donald S. Perkins, Henry Rosovsky, Robert G. Stone, Jr., Robert S. McNamara, Thomas J. Perkins, Richard Dulude, E. Martin Gibson, Roger G. Ackerman, Vernon E. Jordon, Jr., James J. O'Connor.

Areas of Work: Operates in four broad industry segments: Consumer products-manufactures tablewares and housewares including glass and glass-ceramic cookware for cooking, serving, and storing food, indoor plant containers, and "Steuben" lead crystal. Electronics and Telecommunications-manufactures optical fibers for use in voice, video, or data transmission, optical cable (which encloses the fiber), glass for TV picture tubes and monitors, and electronic devices such as capacitors and resistors. Specialty Materials-manufactures ceramic substrates for automatic emission-control systems, sealed-beam components and tungsten-halogen tubing for headlights, tooth-replacement ceramic, silicone products, and foam-glass insulation. Health and Science-manufactures medical diagnostic products, optical ware, ophthalmic lenses, laboratory ware, and glass piping. Also engaged in biotechnology research.

Subsidiaries:

Components, Incorporated
Biddeford, Maine

MetPath Inc.
Teterboro, New Jersey

Corning International Corporation
Corning, New York

Corning Canada Inc.
Toronto, Ontario, Canada

Corning GmbH
Wiesbaden, West Germany

Corning Limited
Sunderland, England

Corning Europe Inc.
Paris, France

Corning Japan Inc.
Tokyo, Japan

Corning K.K.
Tokyo, Japan

Corning S.p.A.
Milan, Italy

Corning Trading (Singapore) Pte. Ltd.
Singapore

IMA Gilford Analysentechnik GmbH
Giessen, West Germany

Malkin Ltd.
Stoke-on-Kent, England

Rigolleau, S.A.
Buenos Aires, Argentina

Productos Corning de Mexico, S.A. de C.V.
Monterrey, Mexico

Sovcor, S.A.
Paris (Le Vesinet), France

Corning France, S.A.
Avon, France

Corning Enterprises, Inc.
Corning, New York

Teddington Company Limited
Hamilton, Bermuda

Corning Brasil-Vidros Especiais Ltda.
Sao Paulo, Brazil

E.I.V.S., S.A.
Paris (Villeneuva-la-Garenne), France

Corning Canada Inc.
Toronto, Ontario, Canada

Corning Latin America/Asia-Pacific, Inc.
Corning, New York

Crown Corning U.S.A. Inc.
Los Angeles, California

Dow Corning Corporation (50% owned)
Midland, Michigan

Pittsburgh Corning Corporation (50% owned)
Pittsburgh, Pennsylvania

Ciba Corning Diagnostics Corp. (50% owned)
Medfield, Massachusetts

PlessCor Optronics Inc. (40% owned)
Los Angeles, California

Borosil Glass Works Limited (39.5% owned)
Bombay, India

Crown Corning Limited (50% owned)
Sydney, N.S.W. Australia

Iwaki Glass Company, Ltd. (49.8% owned)
Tokyo, Japan

Fibres Optiques Industries, S.A. (40% owned)
Paris, France

Genencor Inc. (33% owned)
San Francisco, California

Nutrisearch Internation Corp. (33% owned)
Cincinnati, Ohio

Optical Fibres (50% owned)
Clywd, Wales

Pittsburgh Corning Europe, N.V. (50% owned)
Brussels, Belgium

Samsung-Corning Company Ltd. (50% owned)
Seoul, Korea

Siecor GmbH (50% owned)
Munich, West Germany

Optical Waveguides Australia Pty Ltd. (50% owned)
Melbourne, Australia

Shanghai Corning Engineering Corporation Ltd. (50% owned)
Shanghai, People's Republic of China

Siecor GmbH S Co. KG (50% owned)
Neustadt, West Germany

N-Cor Ltd. (50% owned)
Nagoya, Japan

Vitrocrisa Kristal, S.A. (40.7% owned)
Monterrey, Mexico

Siecor Corporation (50% owned)
Hickory, North Carolina

Corvire, SARL (50% owned)
Paris, France

Sicover, S.A. (45% owned)
Aniche, France

Transfer Agent(s):
Chase Lincoln First Bank, N.A.
Corporate Agency Department
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): * New York, Zurich, Boston, Midwest, Pacific, Philadelphia

* Listed and/or traded.

Ticker Symbol: GLW

Number of Employees:

1985	24,600	1982	29,000
1984	26,900	1981	32,700
1983	27,600		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,690,500	$ 133,300
1984	1,732,700	100,300
1983	1,589,400	92,200
1982	1,578,700	74,500
1981	1,714,100	103,700

	No. of Com. Shares +	Earn. per Share +
1985	42,649,000	$ 3.13
1984	42,240,000	2.38
1983	42,126,000	2.19
1982	42,332,000	1.76
1981	42,166,000	2.46

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Specialty materials	$ 324,300	$ 343,000
Electronics & telecommunications	487,700	441,400
Health & science	471,100	520,600
Consumer products	407,400	427,700
Total	$ 1,690,500	$ 1,732,700

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.31	—	—
1984	1.19	—	2-for-1
1983	1.16	—	—
1982	1.16	—	—
1981	1.16	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share +
1985	$ 1,185,600	$ 27.80
1984	1,067,100	25.26
1983	1,032,700	24.51
1982	1,016,400	24.01
1981	1,027,900	24.38

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 1,690,500	$ 1,732,700
Cost of sales	1,110,200	1,173,200
Expenses	443,400	470,100
Oper. profit	$ 136,900	$ 89,400
Other expense	2,500	19,300
Interest expense	37,800	38,200
Interest income	(26,200)	(21,600)
Gain on stock issue	(5,400)	—
Prov. for restruc. costs	87,400	—
Income before taxes	$ 40,800	$ 53,500
Income taxes	5,000	18,200
Equity in earnings of assoc. companies	(71,800)	(53,600)
Net Income	$ 107,600	$ 88,900

* Included in Costs and Expenses, Depreciation and Amortization: $126,700,000 in 1985 and $111,000,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 5,900	$ 38,700
Short-term invest.	55,800	70,900
Accts. receiv., net	275,000	244,400
*Inventories	201,000	251,500
Prepaid exp. & def. inc. taxes	122,100	98,500
Current Assets	$ 709,900	$ 704,000
Investments	536,500	426,600
#Fixed assets	708,600	641,800
Goodwill	15,400	17,800
Other assets	62,000	66,600
Total Assets	$ 2,032,400	$ 1,856,800

Liabilities
(000's)

Loans payable	$ 37,800	$ 31,700
Accts. payable	106,100	98,600
Accrued liabilities & accruals	64,600	71,500
Wages & employee benefits	104,200	101,800
Income taxes	67,200	56,500
Costs of business restruct.	20,400	17,000
Curr. Liabilities	$ 400,300	$ 377,100
Bus. restruc. costs	45,200	2,500
Other liabilities	36,200	58,700
Loans payable	327,500	309,100
Deferred invest. credits & deferred inc. taxes	37,600	42,300
+Common stock	183,800	167,500
Retained earnings	1,043,100	969,700
Trans. adjustments	(41,300)	(70,100)
Total Liabilities & Shareholders' Equity	$ 2,032,400	$ 1,856,800

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.41	3.09
%Net Income to Sales	6.36	5.13
%Net Income to Equity	9.08	8.33
Sales to Inventories	8.41	6.89
Working Capital	$ 309,600,000	$ 326,900,000
Current Ratio	1.77	1.87
Shareholders' Equity	$1,185,600,000	$1,067,100,000

CPT Corporation

8100 Mitchell Road
P.O. Box 295
Minneapolis, Minnesota 55440
(612) 937-8000

Officers: Dean F. Scheff, chairman of the board and president; James H. Kaufenberg, v.p. & chief financial officer; Lawrence O. Bunka, sr v.p.; Clayton R. Benish, Gary H Campbell, Winston W. Eaton, Jr., Roy G. Herman, Fielding G. Lucas, Theodore Manakas, Clarence Lehman, Paul A. Moquist, James L. Weinhold, vice presidents; Ramon J. Vales, Jr., controller; David Priebe, v.p., secretary & general counsel.

Directors: Dean F. Scheff, chairman; John Gerlach, Thomas G. Herschbach, John R. MacLennan, Mark P. Friedlander, Jr., John J. Verstraete, Willard C. Shull III, Andrew H. Van de Ven.

Areas of Work: The corporation designs, manufactures and distributes office automation equipment including consoles, mass storage systems and printers as well as related software.

Transfer Agent(s):

First Trust Company of St. Paul
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CPTC (NASDAQ)

Number of Employees:

1985	1,463	1982	1,368
1984	1,744	1981	994
1983	1,581		

Sales and Earnings

	Net Sales	Net Income
1985	$ 149,301,000	$ (2,993,000)
1984	200,324,000	17,411,000
1983	178,455,000	17,721,000
1982	145,027,000	15,863,000
1981	101,344,000	12,516,000

	No. of Com. Shares	Earn. per Share #
1985	16,088,197	$ —
1984	16,707,553	1.05
1983	16,551,587	1.07
1982	16,282,068	0.97
1981	14,569,930	0.83

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 120,691,000	$ 7.50
1984	129,730,000	7.76
1983	111,691,000	6.75
1982	89,421,000	5.49
1981	52,932,000	3.63

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 129,527	$ 180,652
Rentals & maint.	19,774	19,672
Total revenues	$ 149,301	$ 200,324
Cost of sales	83,353	98,378
Cost of rentals & maint.	8,462	9,761
Expenses	63,182	66,845
Interest expense	4,375	4,781
Interest income	(3,456)	(4,737)
Other expense	378	1,894
Income (loss) bef. taxes	$ (6,993)	$ 23,402
Income taxes (credit)	(4,000)	5,991
Net Income (Loss)	$ (2,993)	$ 17,411

* Included in Costs and Expenses, Depreciation and Amortization: $13,514,000 in 1985 and $13,037,000 in 1984.

Assets
(000's)

As at June 30	1985	1984
Cash	$ 783	$ 5,331
Marketable securities	27,096	25,267
Accts. receiv., net	51,101	74,955
Other receiv.	5,189	3,423
Inc. taxes recev.	8,068	—
*Inventories	41,640	47,484
Other curr. assets	2,875	1,181
Current Assets	$ 136,752	$ 157,641
#Fixed assets	48,331	52,442
Other assets	3,443	4,985
Total Assets	$ 188,526	$ 215,068

Liabilities
(000's)

Notes payable	$ —	$ 248
Long-term debt, curr.	799	1,453
Accts. payable	5,385	16,062
Salaries & comm. payable	2,744	3,802
Income taxes	490	4,972
Accrued liab.	5,739	7,029
Deferred revenue	5,696	4,605
Curr. Liabilities	$ 20,853	$ 38,171
Long-term debt	2,957	3,963
Convert. subord. deben.	37,288	38,895
Deferred inc. taxes	6,737	4,309
+Common stock	804	836
Add. paid-in capital	45,282	50,715
Retained earnings	75,577	78,570
Foreign curr. trans.	(972)	(391)
Total Liabilities & Shareholders' Equity	$ 188,526	$ 215,068

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	11.68
%Net Income to Revenues	—	8.69
%Net Income to Equity	—	13.42
Debt to Equity	0.03	0.04
Working Capital	115,899,000	$119,470,000
Current Ratio	6.56	4.13
Shareholders' Equity	120,691,000	$129,730,000

Craig Corporation

921 West Artesia Boulevard
Compton, California 90220
(213) 537-1233

Officers: Paul O. Koether, chairman of the board; Peter M. Behrendt, president; Edward Y. Motokane, exec. vice president; P. Algis Raulinaitis, sr. v.p.-finance & secretary; Kent W. Davidson, v.p.-marketing; Marshal R. Brown, v.p.-quality & customer service; Robert L. Woolheater, v.p., controller and treasurer.

Directors: Paul O. Koether, chairman; Peter M. Behrendt, Edward Motokane, James J. Cotter, William D. Gould, Edward L. Kane, Ralph B. Perry, III.

Areas of Work: The Electronics Division is engaged in the design, importation, manufacture and sale of consumer products mainly consisting of stereo audio systems for the automobile, small audio entertainment centers for recreational vehicles, and dictation equipment.

Subsidiaries:

Craig Intra-con Electronics Corp.
Hastings and Richardson Communications, Inc.
Magnasync/Moviola DISC

Dimension Specialty Co., Inc.
921 West Artesia Boulevard
Compton, California 90220
(213) 537-1233
Imports custom photographic accessories for major retailers.

Transfer Agent(s):

Bank of America NT & SA
111 West 7th Street
Los Angeles, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: CRA

Number of Employees:

1985	50	1982	561
1984	427	1981	695
1983	409		

Plant Footage:

1985	84,420 sq. ft.	1982	330,000
1984	289,000	1981	330,000
1983	289,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1985	$ 22,660,000	$ 1,108,000
1984	35,129,000	(5,958,000)
1983	43,808,000	(6,895,000)
1982	67,377,000	1,393,000
1981	94,233,000	(1,942,000)

	No. of Com. Shares	Earn. per Share #‡
1985	1,766,264	$ 0.63
1984	1,772,173	—
1983	1,782,090	—
1982	3,015,091	0.46
1981	3,024,755	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $512,000 ($0.29 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Consumer electronics	$ 10,982,000	$ 18,455,000
Photographic equip.	11,678,000	16,674,000
Total	$ 22,660,000	$ 35,129,000

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 13,892,000	$ 7.87
1984	12,828,000	7.24
1983	18,861,000	10.58
1982	36,356,000	12.72
1981	37,023,000	12.24

Income Account *

Year ended June 30	1985	1984
Net sales	$ 22,660,000	$ 35,129,000
Cost of sales	17,717,000	28,378,000
Expenses	4,847,000	7,781,000
Interest exp. (income)	(851,000)	257,000
Inc. (loss) bef. taxes	$ 947,000	$ (1,287,000)
Income taxes	473,000	—
Inc. (loss) - cont. oper.	$ 474,000	$ (1,287,000)
Inc. (loss) - discont. oper.	122,000	(4,671,000)
Net Income (Loss)	$ 596,000	$ (5,958,000)
Extraord. gain	512,000	—
Net Income (Loss) & extrarod. gain	$ 1,108,000	$ (5,958,000)

* Included in Costs and Expenses, Depreciation and Amortization: $116,000 in 1985 and $69,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 7,800,000	$ 347,000
Receiv., net	3,248,000	6,102,000
*Inventories	2,324,000	7,081,000
Prepaid expenses	104,000	218,000
Assets of discont. oper.	—	2,238,000
Current Assets	$ 13,476,000	$ 15,986,000
#Fixed assets	944,000	3,936,000
Assets of discont. oper.	—	1,262,000
Long-term notes receiv.	1,825,000	436,000
Other assets	389,000	437,000
Total Assets	$ 16,634,000	$ 21,967,000

Liabilities

Bank notes payable	$ —	$ 3,875,000
Accts. payable	263,000	1,512,000
Other liabilities	1,191,000	2,167,000
Trade acceptances & advances	81,000	662,000
Inc. taxes payable	607,000	446,000
Curr. Liabilities	$ 2,142,000	$ 8,662,000
Other liabilities	600,000	477,000
+ Common stock	788,000	788,000
Add. paid-in capital	4,194,000	4,214,000
Retained earnings	23,019,000	21,911,000
Treasury stock	(14,109,000)	(14,085,000)
Total Liabilities & Shareholders' Equity	$ 16,634,000	$ 21,967,000

* Inventories at average cost.
# Less accumulated depreciation and amortization..
+ $0.25 par value.

Statistical Summary

%Net Income to Equity	4.29	—
Sales to Inventories	9.75	4.96
Debt to Equity	—	0.30
Working Capital	$11,334,000	$ 7,324,000
Current Ratio	6.29	1.85
Shareholders' Equity	$13,892,000	$12,828,000

Cray Research, Inc.

608 Second Avenue S.
Minneapolis, Minnesota 55402
(612) 333-5889

Officers: John A. Rollwagen, chairman of the board & chief exec. officer; Lester T. Davis, exec. v.p.; John Carlson, exec. v.p. & chief financial officer; Marcelo A. Gumucio, exec. v.p.; Andrew Scott, vice chairman & counsel; Michael Dickey, v.p.-international marketing; Robert A. Gaertner, v.p.-human resources & communications; Bruce Kasson, v.p.-government marketing; Michael J. Lindseth, v.p.-finance & treasurer; Steve S. Chen, sr. v.p.; Margaret Loftus, v.p.-software development; M. Dean Roush, v.p.-engineering; Don Whiting, v.p.-manufacturing; Richard Morris, v.p.-technical operations; Paul W. Dillingham, Jr., v.p.-special systems; Robert H. Ewald, v.p.-commercial marketing; Gregory T. Barnum, corporate controller; David E. Frasch, secretary.

Directors: Seymour R. Cray*, Francis X. Driscoll, Thomas A. Longo, John A. Rollwagen*, Andrew Scott*, Robert L. Swiggett, Robert F. Zicarelli.

* Member of the Executive Committee.

Areas of Work: Engaged in the design, development and manufacture of large-scale, high-speed computing systems intended for scientific applications, and the marketing and maintenance of such systems.

Subsidiaries:

Cray Research GmbH
Munich, West Germany

Cray Research Japan, Limited
Tokyo, Japan

Cray Canada, Inc.
Toronto, Canada

Cray Research B.V.
The Hague, The Netherlands

Cray Research (U.K.) Ltd.
Bracknell, England

Cray Research France, S.A.
Paris, France

Cray Research A.B.
Linkoping, Sweden

Cray Research S.r.l.
Milan, Italy

Cray Research (Australia) Pty. Ltd.
Melbourne, Australia

Cray Research (Suisse) S.A.
Lausanne, Switzerland

Transfer Agent(s):

First Trust Company of St. Paul
First National Bank Building
St. Paul, Minnesota 55102

Manufacturers Hanover Trust Company
40 Wall Street
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: CYR

Number of Employees:

1985	3,180	1982	1,352
1984	2,203	1981	1,079
1983	1,551		

Plant Footage:

1985	767,000 sq. ft.	1982	200,000
1984	461,800	1981	195,500
1983	327,000		

Sales and Earnings

	Revenue	Net Income
1985	$ 380,158,000	$ 75,610,000
1984	228,752,000	45,352,000
1983	169,690,000	26,071,000
1982	141,149,000	19,000,000
1981	101,642,000	18,170,000

	No. of Com. Shares †	Earn. per Share #
1985	29,807,000	$ 2.49
1984	29,348,000	1.53
1983	29,178,000	0.88
1982	29,059,000	0.69
1981	27,322,000	0.66

† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 304,944,000	$ 10.23
1984	220,452,000	7.51
1983	172,385,000	5.91
1982	144,561,000	4.98
1981	94,951,000	3.48

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 277,440	$ 160,389
Leased systems	55,093	37,795
Service fees	47,625	30,568
Revenues	$ 380,158	$ 228,752
Cost of sales	74,144	43,551
Cost of leased systems	23,436	17,000
Cost of services	35,704	21,443
Expenses	114,515	82,657
Interest expense	6,838	6,203
Interest income	(10,370)	(9,852)
Other expense	48	859
Income before taxes	$ 135,843	$ 66,891
Income taxes	60,233	21,539
Net Income	$ 75,610	$ 45,352

* Included in Costs and Expenses, Depreciation and Amortization: $40,973,000 in 1985 and $32,427,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. invest.	$ 49,532	$ 53,879
Market. secur.	25,705	30,028
Accts. receiv., net	26,698	22,710
*Inventories	140,266	82,730
Prepaid expenses	6,749	3,213
Current Assets	$ 248,950	$ 192,560
Long-term receivables	5,789	8,156
#Leased systems & spares	54,280	49,263
#Fixed assets	92,589	56,286
Defer. charges & other assets	41,520	23,831
Total Assets	$ 443,128	$ 330,096

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 12,030	$ 33,622
Accts. payable	16,554	11,461
Accrued expenses	36,329	19,566
Income taxes	7,645	4,356
Cust. adv. pay.	38,460	6,677
Curr. Liabilities	$ 111,018	$ 75,682
Long-term debt	11,839	15,626
Deferred inc. taxes	15,327	18,336
+ Common stock	29,807	29,348
Add. paid-in capital	70,648	62,423
Retained earnings	204,470	128,860
Foreign curr. trans. adj.	19	(179)
Total Liabilities & Shareholders' Equity	$ 443,128	$ 330,096

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	35.73	29.24
%Net Income to Revenues	19.89	19.83
%Net Income to Equity	24.79	20.57
Debt to Equity	0.08	0.22
Working Capital	$137,932,000	$116,878,000
Current Ratio	2.24	2.54
Shareholders' Equity	$304,944,000	$220,452,000

Crestek, Inc.

(formerly IMM Energy Services & Technology Inc.)

Scotch Road
Mercer County Airport
Trenton, New Jersey 08628
(609) 883-4000

Officers: J. Michael Goodson, chairman & chief executive officer; Edward J. Gutowski, vice chairman & exec. v.p.-operations; John J. O'Connor, exec. v.p.-finance, secretary & chief financial officer; Kenneth W. Hunt, exec. v.p.-marketing.

Directors: J. Michael Goodson, chairman; Edward J. Gutowski, Leon Linebarger, Kenneth W. Hunt, William E. Owings, John J. O'Connor.

Areas of Work: Manufactures and markets ultrasonic and electronic equipment including automated industrial cleaning systems and semiconductor assembly and test equipment.

Subsidiaries:

Coates Marine Inc.
Crest Ultrasonis Corjp.
Crestek International Sales Corp.

Uthe Inc.
Uthe Technology, Inc.

Transfer Agent(s):

Fidelity Union Trust Company
Trust Dept.
765 Broad Street
Newark, New Jersey 07101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CRST (NASDAQ)

Number of Employees:

1985	153	1982	105
1984	116	1981	175
1983	110		

Plant Footage:

1985	50,000 sq. ft.	1982	50,000
1984	50,000 sq. ft.	1981	50,000
1983	50,000		

Sales and Earnings

	Net Sales †	Net Income
1985	$ 12,820,000	$ 520,000
1984	11,207,000	3,136,000
1983	9,253,000	(8,958,000)
1982	8,135,000	(2,519,000)
1981	6,938,000	2,168,000

	No. of Com. Shares	Earn. per Share +
1985	821,350	$ 0.61
1984	4,106,783	3.79
1983	4,096,783	—
1982	4,041,131	—
1981	2,837,793	2.89

(Loss)
† Of continuing operations only.
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	1-for-5
1984	—	—	—
1983	—	—	—
1982	—	—	4-for-3
1981	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,021,075	$ 2.46
1984	1,500,332	0.37
1983	(1,640,619)	—
1982	7,191,000	1.78
1981	6,041,000	2.13

(Deficiency)

Income Account *

Year ended June 30	1985	1984
Net sales	$ 12,820,085	$ 11,207,464
Cost of sales	6,720,272	5,901,784
Expenses	4,683,778	3,871,633
Oper. profit	$ 1,416,035	$ 1,434,047
Interest expense	437,046	485,541
Other income	(64,095)	(42,779)
Income bef. taxes	$ 1,043,084	$ 991,285
Income taxes	522,640	512,889
Inc. cont. oper.	$ 522,444	$ 478,396
Inc. discont. oper.	—	2,657,716
Net Income	$ 520,444	$ 3,136,112

* Included in Costs and Expenses, Depreciation and Amortization: $226,529 in 1985 and $190,463 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 579,281	$ 826,640
Notes and accts. receiv., net	2,365,962	2,232,704
*Inventories	2,429,322	1,470,933
Prepaid expenses	49,618	85,209
Current Assets	$ 5,424,183	$ 4,615,486
#Fixed assets	2,429,275	2,162,262
Note & other receiv.	259,276	—
Intangibles	549,600	618,300
Other assets	266,920	80,557
Total Assets	$ 8,929,254	$ 7,476,605

Liabilities

	1985	1984
Note payable	$ 700,000	$ 900,000
Long-term debt, curr.	464,235	396,147
Accts. payable	1,512,300	1,109,495
Accruals	776,709	617,945
Customer deposits	260,232	11,200
Income taxes	121,885	96,845
Curr. Liabilities	$ 3,835,361	$ 3,131,632
Long-term debt	2,671,035	2,692,241
Deferred inc. taxes	279,383	—
+ Redeem. pref. stock	122,400	152,400
+ + Common stock	8,213	41,068
Add. paid-in capital	1,568,715	5,431,685
Retained earnings (deficit)	497,333	(3,904,811)
Exc. of redemp. price over fair value-pref. stock	(53,186)	(67,610)
Total Liabilities & Shareholders' Equity	$ 8,929,254	$ 7,476,605

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value, $6.50 cumulative.
+ + $0.01 par value.

Statistical Summary

%Income bef. taxes	8.14	—
to sales	4.06	—
%Net income to equity	25.75	—

Sales to Inventories	5.28	7.62
Debt to Equity	1.90	2.66
Working Capital	$1,588,822	1,483,854
Current Ratio	1.41	1.47
Shareholders' Equity	$2,021,075	$1,500,332

Cross & Trecker Corporation

505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343

Officers: Russell A. Hedden, chairman of the board; Richard T. Lindgren, president & chief executive officer; Ralph E. Cross, chairman emeritus; Johannes A. Buiteweg, v.p.-law & secretary; John J. Hinnendael, v.p.-finance; Larry C. Helber, treasurer; Roger John Lesinski, asst. secretary; Stephan W. Zumsteg, assistant controller.

Directors: Russell A. Hedden*, chairman; Richard T. Lindgren*, Edward C. Mabbs, Thomas F. Russell, Harold A. Strickland, Jr., John F. Daly, Robert F. Stewart, Vincent R. Little, William P. Vititoe.

* Member of the Executive Committee.

Areas of Work: Designs and builds special metal-cutting, assembly, and testing machines and integrated manufacturing systems. Also manufactures computer numerically-controlled machining centers, milling machines and turning machines, computer-controlled multiple-machine flexible manufacturing systems. Designs and builds automated material handling systems for the foundry and power generating industries, grinding machines, flexible fabricating and inspection machines and systems.

Operating Units:

The Cross Company
17801 East Fourteen Mile Road
Fraser, Michigan 48026
(313) 293-3000
Manufactures special machine tools.

Cross & Trecker Credit Corporation
505 North Woodward Avenue
P.O. Box 925
Bloomfield Hills, Michigan 48013
(313) 644-4343

The Warner and Swasey Company
11000 Cedar Avenue
P.O. Box 94531
Cleveland, Ohio 44101
(216) 432-4009
Machine tools and measurement systems: horizontal turning machines, turret lathes and grinding machines for cylindrical parts; sheet-metal cutting, forming and punching machines and systems; measurement and autometrology systems; linear bearings.

Machine Remarketing Corporation
3611 Woodburn Avenue
P.O. Box 12841
Cincinnati, Ohio 45212
(513) 874-0015
Marketing of used and updated machinery, including appraisals, listing, storage, financing, sales and training.

Kearney & Trecker Corporation
11000 Theodore Trecker Way
Milwaukee, Wisconsin 53214
(414) 476-8300
Produces computer-controlled machine tools and multiple-machine flexible manfacturing systems.

Roberts Corporation
3001 West Main Street
Lansing, Michigan 48901
(517) 371-2460
Manufactures sand and mold handling systems, automatic pouring systems, and various support equipment for the foundry industry. Designs and builds automated material handling systems. Markets robots and automated guided vehicles.

Transfer Agent(s):

First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CTCO (NASDAQ)

Number of Employees:

1985	4,500	1982	3,000
1984	4,400	1981	4,600
1983	2,400		

Plant Footage:

1985	3,000,000 sq. ft.	1982	1,671,000
1984	N.A.	1981	1,679,500
1983	1,516,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 423,289,000	$ 11,743,000
1984	268,309,000	4,053,000
1983	149,925,000	3,687,000
1982	380,641,000	38,725,000
1981	408,916,000	41,169,000

	No. of Com. Shares #	Earn. per Share #
1985	12,355,000	$ 0.95
1984	12,341,000	0.33
1983	12,332,000	0.30
1982	12,370,000	3.13
1981	12,388,000	3.32

# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.80	—	—
1984	0.80	—	—
1983	0.80	—	—
1982	0.80	—	—
1981	0.677	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 209,911,000	$ 16.98
1984	205,590,000	16.65
1983	207,159,000	16.80
1982	214,567,000	17.40
1981	187,919,000	15.17

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 423,289	$ 268,309
Cost of sales	311,222	203,548
Expenses	100,338	65,256
Other income	(7,528)	(8,271)
Interest expense	2,070	2,185
Income before taxes	$ 17,187	$ 5,591
Income taxes	5,444	1,538
Net Income	$ 11,743	$ 4,053

* Included in Costs and Expenses, Depreciation, $11,741,000 in 1985 and $10,373,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & short-term invest.	$ 14,410	$ 17,928
Trade receiv.	144,671	123,508
Income taxes	8,450	13,960
*Inventories	97,064	103,567
-Prepaid expenses	7,339	6,129
Current Assets	$ 271,934	$ 265,092
#Fixed assets	88,102	81,841
Other assets	15,221	18,850
Toal Assets	$ 375,257	$ 365,783

Liabilities

Short-term debt	$ 8,401	$ 7,457
Long-term debt, curr.	511	690
Accts. payable	50,605	40,593
Advance payments	5,299	726
Accruals	49,193	62,771
Income taxes	22,575	22,972
Curr. Liabilities	$ 136,584	$ 135,209
Long-term debt	12,049	12,452
Deferred income	8,854	7,667
Deferred taxes	7,859	4,865
+ Common stock	12,444	12,440
Add. paid-in capital	23,712	23,443
Retained earnings	178,360	176,493
Cumulative translation adjustment	(3,340)	(5,373)
Treasury stock	(1,265)	(1,413)
Total Liabilities & Shareholders' Equity	$ 375,257	$ 365,783

* At lower of cost (23% at FIFO; 77% at LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.06	2.08
%Net Income to Sales	2.77	1.51
%Net Income to Equity	5.59	1.97
Sales to Inventories	4.36	2.59
Debt to Equity	0.10	0.10
Working Capital	$135,350,000	$129,883,000
Current Ratio	1.99	1.96
Shareholders' Equity	$209,911,000	$205,590,000

CTS Corporation

905 N. West Boulevard
Elkhart, Indiana 46514
(219) 293-7511

Officers: Joseph DiGirolamo, chairman of the board & chief operating officer; Robert D. Hostetler, president & chief executive officer; Gary B. Erekson, v.p. & chief financial officer; John P. Colglazier, v.p.; Kenneth E. Selzer, v.p.-sales; Willie P. Ozbirn, v.p.-research and development; David K. Sentman, treasurer; William D. Baker, controller; Jeannine M. Davis, secretary & asst. general counsel; Thomas C. Eggebeen, James E. Hayes, asst. controllers.

Directors: Joseph DiGirolamo, chairman of the board; Robert D. Hostetler, Gary B. Erekson.

Areas of Work: Manufactures floppy disk drives for recording and retrieving digital information. Also manufactures electronic components for consumer, industrial and military electronic equipment. Products include variable resistors (potentiometers and trimmers), cermet microelectronic products (resistor and/or capacitor networks, hybrid circuits and variable resistors), loudspeakers, quartz crystal products (quartz crystals, filters, oscillators and crystal component ovens), injection molded plastic products, solid state rectifiers, selector switches, tools and dies, and automation machinery, tire rasps, and custom display fixtures.

Subsidiaries:

CTS of Elkhart Inc.
1142 West Beardsley Avenue
Elkhart, Indiana 46514
(219) 523-0210

CTS of Berne, Inc.
406 Parr Road
Berne, Indiana 46711
(219) 589-3111

CTS of Asheville, Inc.
Mills Gap Road
Skyland, North Carolina 28776
(704) 684-6451

CTS Microelectronics, Inc.
1201 Cumberland Avenue
West Lafayette, Indiana 47906
(317) 463-2565

CTS Halex Division
Irvine, California

CTS Knights, Inc.
400 Reimann Avenue
Sandwich, Illinois 60548
(815) 786-8411

CTS Tool, Die & Machine, Inc.
3000 Engle Road
Fort Wayne, Indiana 46809
(219) 747-0531

CTS of Brownsville, Inc.
1100 Roosevelt Street
Brownsville, Texas 78520
(512) 546-5184

CTS of Canada, Ltd.
80 Thomas Street
Streetsville, Ontario, Canada
(416) 826-1141

CTS Components Taiwan, Ltd.
Central 6th Road (Chung Liu Road)
P.O. Box 26020
Kaohsiung, Taiwan

CTS Singapore Pte., Ltd.
Republic of Singapore

CTS of Bentonville
1300 S.E. 8th Street
Bentonville, Arkansas 72712

Systems Division
Eden Prairie, Minnesota

Middlebury Division
Middlebury, Indiana

Monon Division
Monon, Indiana

Circuits Division
Fremont, California
Baldwin, Wisconsin

Connector Division
New Hope, Minnesota
Cokato, Minnesota

Paso Robles Division
Paso Robles, California

San Jose Division
San Jose, California

Fabri-Tek Computer Components
Blantyre, Scotland, United Kingdom

Fabri-Tek H.K. Limited
Kowloon, Hong Kong

CTS de Mexico, S.A.
Matamoros, Mexico

Transfer Agent(s):

Midwest Commerce Banking Company
Elkhart, Indiana 46515

The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10081

Stock Exchange(s): New York

Ticker Symbol: CTS

Number of Employees:

1985	8,200	1982	6,825
1984	8,172	1981	6,826
1983	7,001		

Plant Footage:

1985 . . . . . . 3,000,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 261,613,000	$ 9,436,000
1984	279,151,000	(2,582,000)
1983	215,137,000	9,145,000
1982	207,470,000	9,368,000
1981*	186,099,000	13,352,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	5,746,165	$ 1.64
1984	5,747,747	—
1983	5,667,342	1.61
1982	5,256,320	1.78
1981*	5,185,163	2.58

(Loss)
* 53 weeks.
+ Of continuing operations only
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	1.00	—	—
1983	1.00	—	—
1982	1.00	—	—
1981	0.975	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 136,089,000	$ 24.10
1984	135,219,000	23.52
1983	143,947,000	25.05
1982	128,383,000	23.68
1981	121,955,000	23.21

‡ Based on the weighted average number of shares outstanding

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 261,613	$ 279,151
Cost of sales	208,828	207,419
Expenses	40,735	36,128
Interest expense	2,770	2,581
Other expense (income)	(2,406)	608
Income before taxes	$ 11,686	$ 32,415
Income taxes	3,754	13,377
Inc. - cont. oper.	$ 7,932	$ 19,038
Inc.(loss)-discont. oper.	1,504	(21,620)
Net Income (Loss)	$ 9,436	$ (2,582)

* Included in Costs and Expenses, Depreciation and Amortization: $13,920,000 in 1985 and $11,065,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash & cert. of deposit	$ 13,295	$ 11,407
Accts. receiv., net	31,143	37,454
Recov. inc. taxes	—	9,161
Def. inc. taxes	4,486	4,567
*Inventories	50,398	59,451
Other curr. assets	3,192	2,311
Assets of discont. oper.	20,573	20,807
Current Assets	$ 123,087	$ 145,158
#Fixed assets	68,938	49,396
Other assets	21,234	30,680
Total Assets	$ 213,259	$ 225,234

Liabilities
(000's)

Notes payable	$ 13,992	$ 13,900
Long-term debt, curr.	514	2,002
Accts. payable	13,365	17,580
Accruals	7,187	7,312
Accrued payroll	8,983	10,257
Accrued discont. exp.	2,216	8,566
Dividends payable	1,415	1,441
Income taxes	378	—
Curr. Liabilities	$ 48,050	$ 61,058
Long-term debt	26,779	26,264
Deferred inc. taxes	2,341	2,693
+Common stock	35,298	35,471
Retained earnings	105,904	102,202
Cum. for. curr. trans.	(86)	(524)
Treasury stock	(5,027)	(1,930)
Total Liabilities & Shareholders' Equity	$ 213,259	$ 225,234

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	6.93	—
Sales to Inventories	5.19	4.70
Debt to Equity	0.30	0.31
Working Capital	$ 75,037,000	$ 84,100,000
Current Ratio	2.56	2.38
Shareholders' Equity	$136,089,000	$135,219,000

Cubic Corporation

9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780

P.O. Box 85587
San Diego, California 92138

Officers: Walter J. Zable, president & chairman of the board; Walter C. Zable, vice chairman & v.p.; William C. Stewart, Jr., v.p., secretary & general counsel; Colvin C. Wellborn, sr. v.p.; Louis G. Dameson, Jr., v.p.-corp. planning; James B. Jenkins, v.p.-contracts; Marlyn L. Hicks, v.p.-corporate; Raymond L. deKozan, v.p.-marketing; William J. Thompson, v.p.-development planning; Thomas A. Baz, v.p. & corp. controller; George Eaton, v.p.-gen. mgr.-Cubic Defense Systems; William Boyle, v.p.-finance & treasurer; Daniel Jacobsen, asst. secretary; Jerome M. Ringer, asst. to the president.

Directors: Walter J. Zable, chairman, Thomas Moran, Jackson D. Arnold, Walter C. Zable, Malin Burnham, William J. Kelly.

Areas of Work: Simulation and training systems, navigational systems, surveying equipment, elevators, automated fare collection systems, oil exploration equipment, welding supplies, gases, safety equipment, power-tools. Radio communications equipment, electronic medical equipment, computer service bureau and micrographics.

Divisions and Subsidiaries:

Defense Systems Division
9333 Balboa Avenue
San Diego, California 92123
(619) 277-6780

Cubic Communications
305 Airport Road
Oceanside, California 92054
(619) 757-7525

Cubic Data Systems
5225 Lovelock
San Diego, California 92109
(619) 297-9980

Cubic Far East (Singapore) PTE Ltd.
4 Shenton Way
#17-00 Shing Kwan House
Singapore 0106

Cubic Precision/K&E Electro-Optical Products
750 Huyler Street
Teterboro, New Jersey 07608
(201) 288-6000

Westinghouse Cubic Ltd. (50% owned)
First Floor
15/17 Long Acre
London WC2E 9LH
England

G.S. Parsons Companies
9010 Clairemont Mesa Boulevard

Cubic Corporation

San Diego, California 92123
(619) 279-8200

U.S. Elevator
10728 U.S. Elevator Road
Spring Valley, California 92078
(619) 460-1000

Consolidated Converting Company
2601 Workman Mill Road
Whittier, California 90601
(213) 692-9421

Cubic Western Data
5650 Kearny Mesa Road
San Diego, California 92111
(619) 268-3100

Cubic Precision
1308 South Washington Street
Tullahoma, Tennessee 37388
(615) 455-8524

Cubic Finance Corporation
San Diego, California

Transfer Agent(s):

California First Bank
San Diego, California

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: CUB

Sales and Earnings

	Net Sales	Net Income
1985	$ 331,701,000	$ 14,725,000
1984	275,097,000	14,018,000
1983	273,244,000	17,341,000
1982	293,610,000	16,222,000
1981	228,243,662	11,028,630

	No. of Com. Shares #	Earn. per Share #
1985	7,873,000	$ 1.87
1984	7,926,000	1.77
1983	7,926,000	2.19
1982	7,926,000	2.05
1981	7,918,000	1.39

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenue By Line of Business

	1985 (000's)	%	1984 (000's)	%
Electronic defense systems	$159,451	48%	$125,857	46%
Elevator products	93,605	28	86,678	32
Other	78,645	24	62,562	22
Total	$331,701	100%	$275,097	100%

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.39	—	—
1984	0.39	—	—
1983	0.36	—	—
1982	0.33	—	2-for-1
1981	0.24	—	4-for-3

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 110,644,000	$ 14.21
1984	101,730,000	12.83
1983	90,861,000	11.46
1982	75,873,000	9.57
1981	62,209,520	7.85

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 331,701,000	$ 275,097,000
Interest income	3,677,000	4,966,000
Other income	597,000	291,000
Gain on sale	3,189,000	-
Total income	$ 339,164,000	$ 280,354,000
Cost of sales	254,842,000	201,424,000
Expenses	55,902,000	49,793,000
Interest expense	2,652,000	2,988,000
Income before taxes	$ 25,768,000	$ 26,149,000
Income taxes	11,043,000	12,131,000
Net Income	$ 14,725,000	$ 14,018,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,570,000 in 1985 and $6,244,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 1,686,000	$ 36,285,000
Marketable securities	11,656,000	3,188,000
Accts. receiv., net	113,200,000	78,406,000
*Inventories & costs of contracts	22,101,000	18,657,000
Prepaid expenses	9,663,000	11,188,000
Current Assets	$ 158,306,000	$ 147,724,000
#Fixed assets	35,687,000	34,631,000
Other assets	8,904,000	11,013,000
Total Assets	$ 202,897,000	$ 193,368,000

Liabilities

	1985	1984
Long-term debt, curr	$ 2,560,000	$ 3,212,000
Accts. payable	19,245,000	14,152,000
Accrued payroll	8,968,000	7,599,000
Notes payable	—	2,050,000
Income taxes	17,293,000	12,241,000
Other liab.	15,364,000	14,034,000
Curr. Liabilities	$ 63,430,000	$ 53,288,000
Long-term debt	21,972,000	27,432,000
Deferred inc. taxes	5,067,000	9,270,000
Deferred comp.	1,784,000	1,648,000
+ Common stock	234,000	234,000
Add. paid-in capital	12,123,000	12,123,000
Retained earnings	101,094,000	89,373,000
Treasury stock	(2,807,000)	—
Total Liabilities & Shareholders' Equity	$ 202,897,000	$ 193,368,000

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	7.77	9.51
%Net Income to Sales	4.44	5.10
%Net Income to Equity	13.31	13.78
Debt to Equity	0.22	0.32
Working Capital	$ 94,876,000	$ 94,436,000
Current Ratio	2.50	2.58
Shareholders' Equity	$110,644,000	$101,730,000

Curtiss-Wright Corporation

One Passaic Street
Wood-Ridge, New Jersey 07075
(201) 777-2900

Officers: T. Roland Berner, chairman & president; Charles E. Ehinger, Richard P. Sprigle, exec. v.p.'s; David Lasky, sr. v.p. & general counsel; Morris A. Crausman, Arnold F. Kossar, Gerald Nachman, John J. Rooney, v.p.'s; Francis E. Fallon, secretary; Martin A. Sherry, treasurer; John F. Staubach, controller.

Directors: T. Roland Berner, chairman; S.D. Brinsfield, John S. Bull, John B. Morris, William F. Raborn, Jr., Jesse Werner, Edward E. White, Richard Dicker.

Areas of Work: Produces and markets precision components and systems, and provides highly engineered services to three broad areas of business activity: Aerospace, Flow Control and Marine, and Industrial.

Subsidiaries:

Curtiss-Wright/Marquette, Inc.
400 South Main Street
Fountain Inn, South Carolina 29644

Metal Improvement Company
10 Forest Avenue
Paramus, New Jersey 07652

Target Rock Corporation
1966 East Broadhollow Road
East Farmingdale, New York 11735

Curtiss-Wright of Canada, Inc. (68.7% owned)
1815 Sismet Road
Mississauga, Ontario L4W 1P9
Canada

Curtiss-Wright Flight Systems, Inc.
300 Fairfield Road
Fairfield, New Jersey 07006

Buffalo Facility
60 Grider Street
Buffalo, New York 14215

Transfer Agent(s):

Manufacturers Hanover Trust Co.
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: CW

Number of Employees:

1985	2,026	1984	1,739

Sales and Earnings

	Net Sales	Net Income
1985	$ 159,942,000	$ (42,361,000)
1984	144,369,000	1,886,000
1983	180,417,000	18,503,000
1982	185,582,000	20,805,000
1981	194,929,000	85,308,000

	No. of Com. Shares †	Earn. per Share †
1985	4,852,000	$ —
1984	4,836,000	0.39
1983	4,826,000	3.83
1982	4,814,000	4.32
1981	4,738,000	17.99

(Loss)
† Based on the weighted average number of common shares outstanding during each year.

Revenues By Line of Business
(000's)

	1985	1984
Industrial prods.	$ 37,600	$ 30,000
Flow control & marine	56,500	55,000
Aerospace	66,100	59,400
Total	$ 160,200	$ 144,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.20	—	—
1983	1.20	—	—
1982	1.10	—	—
1981	1.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 179,643,000	$ 37.02
1984	148,169,000	30.64
1983	231,105,000	47.89

1982	218,209,000	45.33
1981	203,063,000	42.86

† Based on the weighted average number of common shares outstanding during each year.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 159,942	$ 144,369
Gain on sale of real est. & equip.	8,467	8,840
Interest & div. inc.	5,144	5,625
Other income	599	2,902
Total revenues	$ 174,152	$ 161,736
Cost of sales & expenses:		
Prod. & eng.	108,903	97,195
Sell. & serv.	8,881	7,319
Adm. & gen.	29,661	29,152
Interest	4,253	4,688
Write-down of invest. in Western Union	59,828	11,500
Inc. (loss) bef. taxes	$ (37,374)	$ 11,882
Income taxes	4,987	9,996
Net Income (Loss)	$ (42,361)	$ 1,886

* Included in Costs and Expenses. Depreciation: $7,330,000 in 1985 and $6,657,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 4,529	$ 11,461
Marketable securities	117,105	46,036
Accts. receiv., net	22,348	21,451
Unbilled charges	8,591	8,039
*Inventories	25,235	22,811
Other curr. assets	6,384	4,520
Current Assets	$ 184,192	$ 114,318
Invest. in Western Union	—	38,691
Invest. in assoc. cos.	—	3,127
#Fixed assets	86,488	74,561
Other assets	13,838	19,058
Total Assets	$ 284,518	$ 249,755

Liabilities
(000's)

Accts. payable	$ 9,433	$ 5,933
Accrued comp.	3,951	3,236
Accruals	11,037	11,637
Income taxes	2,669	2,868
Def. inc. taxes	8,558	7,182
Other curr. liab.	8,796	9,176
Curr. Liabilities	$ 44,444	$ 40,032
Long-term debt	47,762	51,149
Deferred inc. taxes	10,657	8,339
Minority int. in subsid.	2,012	2,066
+ Common stock	10,000	10,000
Add. paid in capital	56,357	56,508
Retained earnings	307,207	355,393
Unreal. deprec. on invest.	—	(78,513)
Eq. adjust. from for. curr. trans.	(2,541)	(3,119)
Treasury stock	(191,380)	(192,100)
Total Liabilities & Shareholders' Equity	$ 284,518	$ 249,755

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	7.35
%Net Income to Revenues	—	1.17
%Net Income to Equity	—	1.27
Debt to Equity	0.27	0.35
Working Capital	$139,748,000	$ 74,286,000
Current Ratio	4.14	2.86
Shareholders' Equity	$179,64[illegible],000	$148,169,000

Cushman Electronics, Inc.

4500 Campus Drive, Suite 235
Newport Beach, California 92660
(714) 756-8171

Officers: John F. Bishop, chairman of the board & treasurer; Mark K. Howlett, vice chairman of the board; Raymond V. White, president; Paul S. Daniel, asst. secretary & chief financial officer; Joseph M. Veni, v.p.-sales; Marietta G. Mundy, secretary.

Directors: John F. Bishop, chairman of the board; J. Bradford Bishop, Burgess Dempster, Mark K. Howlett, Robert D. Johnson.

Areas of Work: Manufactures FM two-way radio test and maintenance equipment, telephone test instruments, and telephone transmission equipment.

Subsidiaries:

Cushman Electronics
International Sales Corp.

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CUSH (NASDAQ)

Number of Employees:

1985	N.A.	1982	242
1984	169	1981	342
1983	200		

Plant Footage:

1985	N.A.	1983	43,300
1984	43,300 sq. ft.		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income *
1985	$ 8,063,000	$ (1,694,000)
1984	10,353,000	366,000
1983	14,347,000	74,000
1982	17,856,000	(445,000)
1981	19,401,000	753,000

	No. of Com. Shares	Earn. per Share †
1985	1,043,000	$ —
1984	1,043,000	0.35
1983	1,013,000	0.07
1982	1,068,000	—
1981	1,069,000	0.70

* (Loss)
† Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.06	—	—
1984	0.12	—	—
1983	0.12	—	—
1982	0.12	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,538,000	$ 2.43
1984	4,294,000	4.12

1983	3,852,000	3.80
1982	4,246,000	3.98
1981	4,829,000	4.52

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 8,063,000	$ 10,353,000
Cost of sales	5,680,000	6,528,000
Expenses	4,567,000	5,327,000
Interest expense	185,000	276,000
Gain on exch. of lease	—	(2,374,000)
Income (loss) bef. taxes	$ (2,369,000)	$ 596,000
Income taxes (credit)	(675,000)	230,000
Net Income (Loss)	$ (1,694,000)	$ 366,000

* Included in Costs and Expenses. Depreciation and Amortization: $258,000 in 1985 and $246,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 110,000	$ 136,000
Note receivable	1,190,000	—
Accts. receiv., net	1,147,000	1,642,000
*Inventories	2,176,000	2,455,000
Prepaid expenses	141,000	46,000
Prepaid income taxes	100,000	210,000
Current Assets	$ 4,864,000	$ 4,489,000
Notes receivable	106,000	164,000
#Fixed assets	649,000	5,247,000
Other assets	88	109,000
Total Assets	$ 5,707,000	$ 10,009,000

Liabilities

Long-term debt, curr.	$ —	$ 232,000
Short-term debt	1,048,000	250,000
Accts. payable	609,000	609,000
Accruals	904,000	852,000
Estimated income taxes	38,000	—
Curr. Liabilities	$ 2,599,000	$ 1,943,000
Long-term debt	—	2,893,000
Deferred income taxes	—	879,000
Deferred gain	570,000	—
+ Common stock	1,312,000	1,312,000
Retained earnings	1,226,000	2,982,000
Total Liabilities & Shareholders' Equity	$ 5,707,000	$ 10,009,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.76
%Net Income to Sales	—	3.54
%Net Income to Equity	—	8.52
Sales to Inventories	3.71	4.22
Debt to Equity	0.41	0.79
Working Capital	$2,265,000	$2,546,000
Current Ratio	1.87	2.31
Shareholders' Equity	$2,538,000	$4,294,000

The Cyclotron Corporation

950 Gilman Street
Berkeley,California 94710
(415) 524-8670

Note: As of Feb. 28, 1985 there were no Directors and Officers. Their functions having been assumed by the Bankruptcy Court through its trustee.

Areas of Work: Manufactures and sells nuclear particle accelerators which provide beams of charged particles for use in nuclear medicine, neutron radiotheraphy, physics research, and nuclear chemistry. Also manufactures positron imaging devices for medical diagnosis and research, and a neutron generator system for radiotherapy.

The Cyclotron Corporation

Transfer Agent(s):

Bank of America NT & SA
World Headquarters Building
555 California Street
San Francisco, California 94111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: CYCCQ (NASDAQ)

Number of Employees:

1984	2	1981	180
1983	N.A.	1980	165
1982	N.A.		

Plant Footage:

1984	N.A.	1981	58,000 sq.ft.
1983	N.A.	1980	58,000
1982	N.A.		

N.A. - Not Available

Sales and Earnings*

	Net Sales +	Net Income
1984	$ 1,094,894	$ (866,794)
1983	3,185,195	(1,209,499)
1982	(2,221,126)	(13,802,562)
1981	3,784,356	(4,984,814)
1980	10,097,080	856,716

	No. of Com. Shares	Earn. per Share ‡
1984	1,457,612	$ —
1983	1,457,612	—
1982	1,457,612	—
1981	1,457,612	—
1980	1,170,062	0.72

(Loss)
* Unaudited.
‡ Based on the weighted average number of common shares outstanding.
+ Including contract revenues; net contract revenue cancellations.

Common Stock Equity*

	Total Equity	Equity Per Share ‡
1984	$ (12,409,961)	$ —
1983	(11,543,167)	—
1982	(10,333,668)	—
1981	3,468,894	2.38
1980	4,611,620	3.94

* Unaudited.
(Deficiency)

Income Account *

Year ended Dec. 31	1984	1983
Net sales & contract revenues	$ 1,094,894	$ 3,473,526
Prov. for contract adjust. & cancel.	—	(288,331)
Net contract revenues	$ 1,094,894	$ 3,185,195
Cost of sales & contract revenues	1,160,263	2,635,192
Expenses	275,005	904,505
Interest expense	526,420	499,868
Research & develop.	—	30,129
Write-down of invent.	—	325,000
Net Loss	$ (866,794)	$ (1,209,499)

* Included in Costs and Expenses, Depreciation: $125,856 in 1984 and $202,676 in 1983.

Assets

As of Dec. 31	1984	1983
Cash	$ 26,501	$ 36,601
Temp. cash invest.	—	169,016
Accts. receiv., net	133,332	270,789
*Contracts & inventories	701,820	1,002,357
Prepaid expenses	28,952	48,336
Current Assets	$ 890,605	$ 1,527,099
#Fixed assets	2,162,518	2,365,735
Other assets	42,930	43,789
Total Assets	$ 3,096,053	$ 3,936,623

Liabilities

Advance by trustee	$ 243,437	$ —
Accts. payable	118,268	110,440
Notes payable	10,333	14,322
Accrued compensation	46,377	141,190
Accruals	491,143	312,985
Billing in excess of costs	272,795	1,065,883
Secured notes pay.	2,595,094	2,750,000
Secured int. accrual	239,619	53,353
Long-term debt, curr.	5,000	40,442
Joint venture commit.	176,494	—
Pre-Chap. XI liab.	11,022,143	10,701,891
Curr. Liabilities	$ 15,220,703	$ 15,190,506
Long-term debt	242,817	246,790
Deferred inc. taxes	42,494	42,494
+ Common stock	1,373,006	1,373,006
Add. paid-in capital	4,110,987	4,110,987
Accum. deficit	(17,893,954)	(17,027,160)
Total Liabilities & Shareholders' Equity	$ 3,096,053	$ 3,936,623

* At lower of cost or market
# Less accumulated depreciation
+ No par value

Daedalus Enterprises, Inc.

P.O. Box 1869
Ann Arbor, Michigan 48106
(313) 769-5649

Officers: Alan K. Parker, chairman of the board, president & chief exec. officer; Thomas R. Ory, exec. v.p.; Sarah J. White, v.p.-finance, treasurer & chief financial officer; Charles G. Stanich, v.p.-research & development; Thomas Casoglos, secretary.

Directors: Alan K. Parker, chairman; Thomas W. Butler, Jr., Lloyd A. Semple, Thomas Casoglos, Philip H. Power, John F. Towson, John O. Sanders, Wayne E. Avis.

Areas of Work: Manufactures remote sensing devices. The principal products are scanner systems which are installed in aircraft for acquisition of remote sensing data. These data are subsequently processed on the ground by the company's data handling equipment. The information derived from the airborne sensor and processed by the ground stations is used for monitoring and measuring water pollution; for oil, mineral and geothermal exploration; for heat budget and energy loss studies; and for the evaluation of other environmental quality related problems.

Transfer Agent(s):

Michigan National Bank
Grand Rāpids, Michigan

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	$ 2,045,834	$ (521,555)
1984	2,047,005	(365,358)
1983	2,702,249	121,929
1982	2,535,969	(21,975)
1981	2,761,964	46,882

	No. of Com. Shares	Earn. Per Share ‡
1985	540,783	$ —
1984	509,109	—
1983	507,209	0.24
1982	507,209	—
1981	507,209	0.09

(Loss)
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,225,220	$ 2.27
1984	1,654,672	3.25
1983	2,014,463	3.97
1982	1,892,534	3.73
1981	1,914,509	3.77

Income Account *

Year ended July 31	1985	1984
Net sales	$ 2,045,834	$ 2,047,005
Interest income	75,237	87,652
Total income	$ 2,121,071	$ 2,134,657
Cost of sales	1,035,636	1,219,304
Expenses	1,448,056	1,243,334
Interest expense	158,934	132,377
Loss before taxes	$ (521,555)	$ (460,358)
Tax credit	—	(95,000)
Net Loss	$ (521,555)	$ (365,358)

* Included in Costs and Expenses, Depreciation: $142,008 in 1985 and $113,491 in 1984.

Assets

As of July 31	1985	1984
Cash	$ 65,491	$ 58,497
Accts. receiv., net	101,037	112,832
Unbilled accts. receiv.	—	351,335
*Inventories	942,183	1,079,926
Other current assets	21,498	14,316
Current Assets	$ 1,130,209	$ 1,616,906
#Fixed assets	1,698,682	1,570,608
Other assets	114,078	25,038
Total Assets	$ 2,942,969	$ 3,212,552

Liabilities

Note payable	$ 317,853	$ 185,000
Long-term debt, curr.	13,300	11,700
Accts. payable	111,541	106,180
Accruals	38,269	35,066
Accrued payroll	228,479	197,189
Income taxes	14,575	15,741
Curr. Liabilities	$ 724,017	$ 550,876
Long-term debt	944,732	958,004
Deferred income taxes	49,000	49,000
+ Common stock	5,408	5,091
Add. paid-in capital	960,765	868,979
Retained earnings	259,047	780,602
Total Liabilities & Shareholders' Equity	$ 2,942,969	$ 3,212,552

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	2.17	1.90
Debt to Equity	1.04	0.70
Working Capital	$ 406,192	$1,066,030
Current Ratio	1.56	2.94
Shareholders' Equity	$1,225,220	$1,654,672

Damon Corporation

115 Fourth Avenue
Needham Heights, Massachusetts 02194
(617) 449-0800

Officers: David I. Kosowsky, chairman and chief executive officer; Robert P. Schneider, president and chief operating officer; Allan B. Beitchman, sr. v.p. & chief financial officer; Marcia Kean, Daniel R. Cotte, D. Joseph Powell, Norman Curtis, Joseph C. Isola, Richard T. Theken, Shamai Winitzer, v.p.'s; Vernon F. Sherman, Jr., v.p.-finance & treasurer; David Steele, v.p. & controller; Constantine Alexander, secretary.

Directors: David I. Kosowsky, Allan B. Beitchman, Peter A. Brooke, Charles C. Cunningham, Jr., Charles L. Lea, Jr., Robert P. Schneider, W. Gerald Austen.

Areas of Work: Through its International Equipment Company subsidiary, the company is engaged in the production of micro-processor-controlled laboratory centrifuges, microtome cyrostats and centrifuge accessories. These products are primarily used in the fields of biomedical research and clinical testing. The electronics division manufactures crystal filters and high quality crystal oscillators for radar missile systems, radar fire control systems and navigation and communications equipment. Damon Biotech, Inc., a majority-owned public company, is involved in the large-scale production of monoclonal antibodies for varied biomedical applications.

Division:

Electronics Products Division
80 Wilson Way
Westwood, Massachusetts 02090

Subsidiaries:

International Equipment Co. (IEC)
300 Second Avenue
Needham Heights, Massachusetts 02194

Damon Biotech, Inc. (majority-owned public company)
119 Fourth Avenue
Needham Heights, Massachusetts 02194

Transfer Agent(s):

The First National Bank of Boston
One Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, London

Ticker Symbol: DMN

Number of Employees:

1985	2,500	1984	2,700

Plant Footage:

1985	153,000 sq. ft.	1984	174,600

Sales and Earnings

	Net Sales ‡ +	Net Income †
1985	$ 128,604,000	$ (3,227,000)
1984	127,395,000	2,762,000
1983	117,937,000	2,401,000
1982	126,549,000	(12,411,000)
1981	126,194,000	193,000

	No. of Com. Shares #	Earn. Per Share †#
1985	6,585,000	$ —
1984	6,694,000	0.41
1983	6,661,000	0.36
1982	6,576,000	—
1981	6,505,000	0.03

(Loss)
‡ Includes sales of services and products.
+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.
† Including extraordinary income of $550,000 ($0.08 per share) in 1984 and $1,070,000 ($0.16 per share) in 1983.

Revenues By Line of Business
(000's)

	1985	1984
Medical services	$ 82,724	$ 75,233
Medical instrumentation	27,125	26,951
Hobby & educational products	17,155	22,824
Damon Biotech, Inc.	1,600	2,387
Total	$ 128,604	$ 127,395

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	—
1983	0.20	—	—
1982	0.20	—	—
1981	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 56,385,000	$ 8.62
1984	62,697,000	9.40
1983	62,047,000	9.25
1982	39,273,000	5.97
1981	53,516,000	8.15

Income Account *

Year ended Aug. 31	1985	1984
Net sales of serv. & prods.	$ 128,604,179	$ 127,395,354
Cost of sales	82,278,447	80,867,016
Expenses	42,275,078	38,219,528
Prov. for doubtful accts.	3,232,411	3,058,971
Res. & develop. exp.	7,425,432	5,702,998
Interest income	(550,048)	(1,866,010)
Income (loss) bef. taxes	$ (6,057,141)	$ 1,412,851
Income taxes (credit)	(261,000)	412,000
Minority interest	(2,291,890)	(606,545)
Inc. (loss)-cont. oper.	$ (3,504,251)	$ 1,607,396
Income - discont. oper.	130,000	604,328
Net Income (Loss)	$ (3,374,251)	$ 2,211,724
Extraodinary gain	146,922	549,898
Net Income (Loss) & extraord. gain	$ (3,227,329)	$ 2,761,622

* Included in Costs and Expenses, Depreciation and Amortization: $5,802,705 in 1985 and $4,998,056 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 3,444,303	$ 4,397,682
Marketable securities	31,773,594	38,069,298
Accts. receiv., net	24,512,847	26,052,748
*Inventories	16,472,751	17,402,448
Prepaid expenses	795,178	644,666
Current Assets	$ 76,998,673	$ 86,566,842
#Fixed assets	35,903,649	33,257,658
Other assets	2,332,541	2,974,363
Intangibles	7,469,927	8,205,261
Total Assets	$ 122,704,790	$ 131,004,124

Liabilities

Notes payable & long-term debt, curr.	$ 4,372,805	$ 3,409,985
Accts. payable	4,939,394	4,425,163
Accruals	9,931,164	10,381,114
Dividends payable	327,387	334,035
Income taxes	1,134,031	1,523,352
Curr. Liabilities	$ 20,704,781	$ 20,073,649
Mortg. & notes payable	18,237,791	18,368,642
Conv. subord. 5¼% deben.	11,554,000	12,170,000
Long-term debt	2,889,202	2,158,350
Deferred inc. taxes	6,773,000	7,100,000
Minority interest	6,161,041	8,436,387
+ Common stock	1,634,841	1,666,995
+ Junior common stock	28,731	31,044
Add. paid-in capital	31,594,647	33,350,754
Retained earnings	24,647,936	29,194,458
Note receiv. from sale of stock	(310,295)	(335,270)
For. curr. trans. adj.	(1,210,885)	(1,210,885)
Total Liabilities & Shareholders' Equity	$ 122,704,790	$ 131,004,124

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

% Net Income to Equity	—	3.53
Debt to Equity	0.45	0.38
Working Capital	$56,293,892	$66,493,193
Current Ratio	3.72	4.31
Shareholders' Equity	$56,384,975	$62,697,096

Daniel Industries, Inc.

One Riverway Drive, Suite 2200
P.O. Box 19097
Houston, Texas 77056
(713) 960-1300

Officers: W. A. Griffin, chairman of the board & chief exec. officer; Ralph M. Clemons, Jr., president & chief operating officer; Rex W. Landry, v.p.; W.A. Griffin, III, v.p.-finance; H.D. Morrison, Jr., v.p., secretary-treasurer; W.C. Lingman, v.p.-information services; Michael R. Yellin, asst. secretary & asst. treasurer; James M. Sharp, v.p.-research.

Directors: W.A. Griffin, William C. Morris, James M. Sharp, James R. Whatley, Rex W. Landry, Ralph H. Clemons, Jr., Joseph L. Parrish, Gibson Gayle, Jr., Ronald C. Lassiter.

Areas of Work: Engaged in the manufacture, sale and servicing of orifice fittings, turbine meters, meter tubes, valves and related mechanical and electronic products for the measurement and control of fluid flows (liquid and gases), and in the engineering and fabrication of integrated metering systems. Also manufactures and markets alloy stud bolts, and manufactures and sells water handling equipment including pumps, tanks and plastic pipe.

Divisions and Subsidiaries:

Systems Engineering Division
9525 Katy Road, Suite 450
Houston, Texas 77024
(713) 467-1690

Bolt and Gasket Division
P.O. Box 292
Houston, Texas 77001
(713) 224-5811

Pump and Equipment Division
P.O. Box 21186
Houston, Texas 77026
(713) 695-5871

Daniel Industries Limited
Lochlands Industrial Estates
Larbert-Stirlingshire FK5 3NS
Falkirk, Scotland

M & J Valve Division
Houston, Texas
Manufacturer of large, fabricated gate valves used on both gas and liquid pipelines and high-pressure industrial processing systems.

Production Specialties Division
Manufacturing and marketing of gas lift equipment and wireline tools used by oil producers in secondary crude oil recovery operations.

Geophysical Division
Denver, Colorado

Electronics Division

Measurement & Control Group

Acquisition:

K&L Engineering, Inc.
Tucson, Arizona
Manufacturer of specialized electronics systems for the automation of liquid petroleum product terminals.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
New York, New York

MBank Houston, N.A.
Houston, Texas

Stock Exchange(s): New York

Daniel Industries, Inc.

Ticker Symbol: DAN

Sales and Earnings

	Net Sales	Net Income
1985	$ 138,475,000	$ 210,000
1984	137,761,000	(2,210,000)
1983	154,305,000	3,511,000
1982	196,432,000	15,151,000
1981	186,629,000	14,890,000

	No. of Com. Shares ‡	Earn per Share ‡
1985	10,153,000	$ 0.02
1984	10,148,000	—
1983	10,146,000	0.35
1982	10,102,000	1.50
1981	10,012,000	1.49

(Loss)

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business
(000's)

	1985	1984
Fluid measurement prods. & systems	$ 92,736	$ 91,020
Stud bolts & nuts	10,827	9,598
Pipeline valves	17,752	12,569
Geophysical services	9,753	16,297
Other	6,666	7,306
Corporate	741	971
Total	$ 138,475	$ 137,761

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.17	5%	—
1984	0.17	5%	—
1983	0.16	5%	—
1982	0.15	5%	—
1981	0.14	—	2-for-1

‡ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 93,222,000	$ 9.18
1984	93,988,000	9.26
1983	99,076,000	9.77
1982	97,875,000	9.69
1981	85,750,000	8.56

‡ Adjusted to reflect stock dividends and stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 137,571	$ 136,058
Other income	904	1,703
Net revenues	$ 138,475	$ 137,761
Cost of sales	85,791	85,327
Expenses	50,415	49,575
Prof. sh. plan & pension trusts	895	945
Interest expense	1,748	1,950
Unusual items	1,300	8,005
Loss before taxes	$ (1,674)	$ (8,041)
Tax credit	(1,884)	(5,831)
Net Income (Loss)	$ 210	$ (2,210)

* Included in Costs and Expenses, Depreciation: $6,550,000 in 1985 and $7,761,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 7,888	$ 7,164
Accts. receiv., net	26,985	33,015
Refundable inc. taxes	1,640	2,713
*Inventories	3,563	30,041
Other assets	32,040	3,958
Current Assets	$ 72,116	$ 76,891
#Fixed assets	62,577	61,408
Other assets	938	1,469
Intangibles	4,148	4,222
Total Assets	$ 139,779	$ 143,990

Liabilities
(000's)

Notes payable	$ 2,146	$ 2,460
Accts. payable	7,502	9,322
Accrued payroll	2,216	2,463
Accrued taxes	1,499	1,727
Accrued expenses	6,588	6,754
Deferred inc. taxes	324	1,522
Curr. Liabilities	$ 20,275	$ 24,248
Long-term debt	14,951	16,660
Deferred inc. taxes	11,331	9,094
+ Common stock	12,810	12,193
Add. paid-in capital	63,880	59,813
For. curr. trans. adj.	(3,213)	(3,942)
Retained earnings	20,680	26,859
Treasury stock	(935)	(935)
Total Liabilities & Shareholders Equity	$ 139,779	$ 143,990

* Domestic inventories at LIFO; foreign inventories at average cost.

Less accumulated depreciation.

+ $1.25 par value

Statistical Summary

% Net Income to Revenues	0.15	—
% Net Income to Equity	0.23	—
Debt to Equity	0.18	0.20
Working Capital	$51,841,000	$52,643,000
Current Ratio	3.56	3.17
Shareholders' Equity	$93,222,000	$93,988,000

Data Card Corporation

11111 Bren Road West
Minneapolis, Minnesota 55440
(612) 933-1233

Mailing address:

P.O. Box 9355
Minneapolis, Minnesota 55440

Officers: D.J. Ekberg, chairman of the board & chief exec. officer; Gary R. Holland, pres. & chief oper. officer; Charles R. Schmidt, exec. v.p.-finance & adm.; Steven A. Tranter, v.p. & treasurer; Kenneth D. Anderson, v.p. & controller; Robert J. Johnson, secretary; Rosa M. Masterson, asst. secretary.

Directors: Willis K. Drake, D.J. Ekberg, Donald L. Lucas, Eugene R. Olson, James P. McFarland, Gary Holland, Jack J. Crocker, Frank W. McBee, Jr., Harold V. Hauerty, Charles R. Schmidt.

Areas of Work: Data Card's line of high technology machines for business and industry includes equipment to emboss and encode plastic credits, debit and other identification cards; electronic point-of-sale terminals; especialized magnetic ink character (MICR) printing equipment for the banking, insurance and other financial industries; electronic weighing equipment for business and industrial uses, and high powered automated laser machining systems for welding, heat treating and cutting in industrial applications.

Divisions and Subsidiaries:

Identification Systems Division
11111 Bren Road West
P.O. Box 9355
Minneapolis, Minnesota 55440

Obitran Division
2331 South Pullman Street
Santa Ana, California 92075

Laserdyne Division
6690 Shady Oak Road
Minneapolis, Minnesota 55344

Troy Division
2331 South Pullman Street
Santa Ana, California 92705

Federal Systems Division
8401 Corporate Drive
Landover, Maryland 20785

Card Systems Division
11111 Bren Road West
Minneapolis, Minnesota 55440
(612) 933-1223

Security Imprinter Division
2 East Frederick Street
Walkersville, MD 21793
(301) 845-4131

Point-Of-Sale Terminals Division
11111 Bren Road West
P.O. Box 9355
Minneapolis, Minnesota 55440
(612) 933-1223

Credit Card Sentinel Division
9040 Topanga Canyon
Boulevard
Canoga Park, CA 91304
(818) 882-9947

Micross Division
125 Sherwood Avenue
Farmingdale, New York 11735
(516) 249-6046

Customer Service Division
5450 Feltl Road
P.O. Box 9355
Minneapolis, Minnesota 55440
(612) 935-6677

World Trade Division
11111 Bren Road West
P.O. Box 9355
Minneapolis, Minnesota 55440
(612) 933-1223

Data Card Europe Limited
New Lane, Havant
Hampshire P09 2NR
England

Data Card France S.A.
Tour Gallieni II
36 Avenue Gallieni
93170 Bagnolet
France

Data Card Deutschland
Eschborner
Landstrasse 130-132
6000 Franfurt am Main 90
West Germany
011-49-69-66780-966

CPE Data Card Ltd
1144 Nepean Highway
Highett, Victoria
Australia, 3190

Laser Data Systems Inc.
30 Village Centre Place
Mississauga, Ontario
Canada L4Z 1V9
416-848-1880

Security Imprinter Ireland Ltd.
Granard, County Longford
Republic of Ireland
011-353-43-86188

Toppan Moore Data Products Ltd.
12/F Hong Kong Computer Centre
54 Lockhart Road
Wanchai, Hong Kong

Data Card Sweden AB
Box 42015
S-126 12 Stockholm
Sweden

Data Card Japan Ltd
Svax Building
2-39-3, Nishi-Shinbashi
Minato-Ku, Tokyo 105
Japan

Transfer Agent(s):

First Trust Company, Inc
P.O. Box 64367
St. Paul, Minnesota 55164

Stock Exchange(s): Over-the Counter

Ticker Symbol: DATC (NASDAQ)

Number of Employees:

1986	1,932	1983	1,332
1985	1,807	1982	1,590
1984	1,437		

Sales and Earnings

	Revenues ‡	Net Income +
1986	$ 153,554,000	$ 10,581,000
1985	109,901,000	8,093,000
1984	86,616,000	6,236,,000
1983	70,221,000	4,501,000
1982	71,140,000	(1,749,000)

	No. of Com. Shares †	Earn. per Share † +
1986	9,775,000	$ 1.08
1985	8,698,000	0.93
1984	8,619,000	0.72
1983	N.A	0.59
1982	N.A	—

(Loss)
N.A. - Not Available
+ Including extraordinary gains of $499,000 ($0.06 per share) in 1984 and $447,000 ($0.06 per share) in 1983.
‡ Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.
+ Restated to include operations of Credit Card Sentinel, MC., acquired on a pooling of interests basis.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.24	—	—
1985	0.19	—	—
1984	0.19	—	—
1983	0.19	—	—
1982	0.19	—	—

Common Stock Equity +

	Total Equity	Equity Per Share ‡
1986	$ 77,440,000	$ 7.92
1985	49,431,000	5.68
1984	43,165,000	5.01
1983	39,121,000	—
1982	36,555,000	—

+ Restated
‡ Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	3/29/86	3/30/85‡
Revenues	$ 153,554	$ 109,801
Cost of sales, services & rentals	89,821	62,243
Expenses	46,792	36,298
Interest expense	1,126	635
Interest income	(2,270)	(1,752)
Income before taxes	$ 18,085	$ 12,377
Income taxes	7,504	4,284
Net Income	$ 10,581	$ 8,093

* Included in Costs and Expenses, Depreciation: $6,401,000 in 1986 and $4,931,000) in 1985.
‡ Restated.

Assets
(000's)

As of	3/29/86	3/30/85‡
Cash	$ 4,383	$ 1,729
Marketable securities	15,343	2,785
Accts. receiv., net	32,352	26,743
Invest. - equip. leases	2,561	3,402
*Inventories	19,030	22,939
Subscriber acq. costs	5,601	4,406
Other curr. assets	1,586	1,104
Current Assets	$ 80,856	$ 63,108
Invest. - equip. leases	4,089	3,804
#Fixed assets	24,526	21,126
Subscriber acq. costs	3,784	3,226
Other assets	9,332	5,337
Total Assets	$ 122,987	$ 96,601

Liabilities
(000's)

Notes payable	$ 4,192	$ 7,762
Long-term debt, curr.	107	87
Accts. payable	8,454	8,880
Accruals	9,611	9,083
Cust. deposits	3,678	3,390
Subscriber adv. pay	5,992	4,896
Income taxes	1,329	2,710
Curr. Liabilities	$ 33,363	$ 36,808
Deferred inc. taxes	5,191	3,870
Long-term debt	2,788	2,897
Subscriber adv. pay	3,805	3,595
+ Common stock	989	863
Add. paid-in capital	41,806	22,163
Retained earnings	37,977	29,540
Cum. trans. adjust.	(1,783)	(3,097)
Treasury stock	(1,549)	(38)
Total Liabilities & Shareholders' Equity	$ 122,587	$ 96,601

‡ Restated
* At lower of cost (FIFO) or market.
# Less accumulated depreciation
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	11.78	11.27
%Net Income to Revenues	6.89	7.37
%Net Income to Equity	13.66	16.37
Debt to Equity	0.09	0.22
Working Capital	$47,493,000	$26,300,000
Current Ratio	2.42	1.71
Shareholders' Equity	$77,440,000	$49,431,000

Data General Corporation

4400 Computer Drive
Westboro, Massachusetts 01580
(617) 366-8911

Officers: Edson de Castro, president; Herbert J. Richman, exec. v.p.; Robert C. Miller, sr. v.p.-Business; Frank P. Silkman, sr. v.p.-Field Engineering; James R. Barnes, v.p.-Peripherals Development; Donald V. Bateman, v.p.-human resources; William W. Bentley, v.p.-North American Field Engineering; James P. Campbell, v.p.-administration; David L. Chapman, sr. v.p.-manufacturing; Frederick P. Cochrane, v.p.-Field Engineering Services, Raymond Fortune, sr.v.p.-International Marketing & Sales; Michael Schneider, v.p.-customer service; James A. Pitts, v.p. & controller; Anthony C. Nicoletti, v.p.-Field Engineering Support; J. David Lyons, v.p.-Business Group Marketing; Frank M. Keaney, v.p.-North American sales; Kenneth V. Jaeggi, v.p.-chief financial officer; George D. McClelland, v.p. & treasurer; Wayne Fitzsimmons, v.p.-Americas/Far East; Howard Haythornthwaite, v.p.-international manufacturing operations; Lee Henning, v.p.-materials and manufacturing services; Charles M. Bosenberg, v.p.-European Operationa; Clifford Bream, v.p.-Distribution Division; J. Thomas West, v.p.-systems development division; James V. Williamson, v.p.-U.S. manufacturing operations; Colin Crook, v.p.-international development; Larry H. Holswade, v.p.-Federal Systems Division; Donald L. McDougall, v.p.-Technical Systems Division; Hisashi Tomino, v.p. & president-Nippon-Data General; Vahe A. Sarkissian, v.p.-Semiconductor Division; Carl E. Kaplan, secretary.

Directors: Edson D. deCastro, Herbert J. Richman, Frederick R. Adler, Allan S. Gordon, John F. Lubin.

Areas of Work: Designs, manufactures and markets a variety of small and medium scale general purpose digital computers, software packages, electro-mechanical peripheral equipment, electronic controllers and interfaces and related products.

Divisions:

Information Systems Division
Markets computer systems used by large organizations in commercial applications.

Technical Systems Division
Markets products for end-users, original equipment manufacturers, and systems integrators in the industrial, scientific and technical markets.

Distribution Division
Markets company's products to small and medium-sized businesses through third-party channels of distribution.

Systems Development and Divisons
Designs and develops computer systems and software.

Product Marketing Division
Product management, planning and marketing.

Customer Service Division
Provides hardware, software and communication systems made to customers' specifications.

Field Engineering Division
Maintenance, repair, and parts exchange of company's products.

Federal Systems Division
Markets products, and provides a full range of systems-related services, to the U.S. Government.

Semiconductor Division
Produces semiconductor components.

Subsidiaries:

Data General Europe, Inc.
Tour Manhattan
5/6 Place de L'Iris
92095 Paris-La Defense II
France

Asia Data General Corporation
China Data General Corporation
DG Foreign Sales Corp., Inc.
Datagen, Inc.
Data General ApS
Data General Costa Rica, S.A.
Data General Latin America, Inc.
Data General New Zealand Limited
Data General OY
Data General Philippines, Inc.
Data General (Canada) Inc
Data General Commercial Systems, Inc.
Data General International Sales Corporation
Data General Investment Corporation
Data General Limited (United Kingdom)
Data General GmbH (Germany)
Data General Gesellschaft M.B.H. (Austria)
Data General France SARL
Data General Holland BV
Data General Australia Pty., Ltd.
Data General AB
Data General Israel, Ltd.
Data General Hong Kong, Ltd.
Data General A.G. (Switzerland)
Data General Ltda. (Brazil)
Data General S.A. (Belgium)
Data General C.A. (Venezuela)
Data General A/S (Norway)
Data General Thailand
Data General S.p.A. (Italy)
Data General Importing, Ltd. (New Zealand)
WSA Systems and Services, Inc.
Design Data, Inc.
Digital Computer Controls, Inc.
Nippon-Data General Corp. (85% owned)
Data General Singapore Pte., Ltd.
Data General Chile Limitada
Data General del Peru, S.A.
Data General Development Corp.
Data General Hong Kong Sales and Service, Ltd.

Data General Corporation

Data General de Mexico, S.A. de C.V.
Data General Manufacturing, Ltd.
Data General Service, Inc.
Data General Ireland, Ltd.
Data General Puerto Rico, Inc.
Data General S.A. (Spain)

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
9th Floor
New York, NY 10015

Stock Exchange(s): New York, London

Ticker Symbol: DGN

Number of Employees:

1985	16,535	1982	15,210
1984	17,695	1981	14,625
1983	14,855		

Plant Footage:

1985	4,940,000 sq. ft.	1982	N.A.
1984	4,843,000	1981	3,454,000
1983	4,225,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1985	$1,238,959,000	$ 24,305,000
1984*	1,160,815,000	83,256,000
1983	828,904,000	23,135,000
1982	805,910,000	24,658,000
1981	736,872,000	50,663,000

	No. of Com. Shares #	Earn. per Share #‡
1985	26,432,000	$ 0.92
1984*	25,939,000	3.21
1983	23,985,000	0.96
1982	21,676,000	1.14
1981	21,191,000	2.39

* 53 weeks.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
‡ Including extraordinary gains of $3,473,000 ($0.13 per share) in 1984, $4,829,000 ($0.22 per share) in 1982 and $9,853,000 ($0.46 per share) in 1981.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 657,856,000	$ 24.89
1984	594,425,000	22.92
1983	468,998,000	19.55
1982	429,043,000	19.79
1981	382,249,000	18.04

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	9/28/85	9/29/84
Net sales	$ 1,238,959	$ 1,160,815
Cost of sales	727,108	659,121
Expenses	475,771	399,069
Other income	(21,163)	(23,662)
Interest expense	22,017	16,686
Income before taxes	$ 35,226	$ 109,601
Income taxes	10,921	29,818
Net Income	$ 24,305	$ 79,783
Extraordinary gain	—	3,473
Net Income & Extraordinary Gain	$ 24,305	$ 83,256

* Included in Costs and Expenses, Depreciation: $87,220,000 in 1985 and $71,305,000 in 1984.

Assets
(000's)

As of	9/28/85	9/29/84
Cash & temp. cash invest.	$ 298,037	$ 199,377
Marketable securities	29,436	4,661
Accts. receiv., net	249,526	248,559
*Inventories	306,656	324,223
Other assets	17,414	11,402
Current Assets	$ 901,069	$ 788,222
Long-term receivables	18,838	9,206
#Fixed assets	330,760	261,786
Other assets	11,510	9,548
Total Assets	$ 1,262,177	$ 1,068,762

Liabilities
(000's)

Notes payable	$ 27,448	$ 17,641
Accts. payable	55,232	87,615
Other curr. liab.	131,999	86,995
Accrued payroll	29,867	31,170
Income taxes	19,786	49,457
Deferred income taxes	32,001	55,885
Curr. Liabilities	$ 296,333	$ 328,763
Long-term debt	299,210	134,916
Deferred inc. taxes	8,778	10,658
+Common stock	255	245
Add. paid-in capital	222,999	183,095
Retained earnings	435,807	411,502
Treasury stock	(1,205)	(417)
Total Liabilities & Shareholders' Equity	$ 1,262,177	$ 1,068,762

* At lower of cost (FIFO) or market.
+ $0.01 par value.
Less accumulated depreciation.

Statistical Summary

%Income bef. Taxes to Sales	2.84	9.44
%Net Income to Sales	1.96	6.87
%Net Income to Equity	3.69	13.42
Sales to Inventories	4.04	3.58
Debt to Equity	0.45	0.26
Working Capital	$604,736,000	$459,459,000
Current Ratio	3.04	2.40
Shareholders' Equity	$657,856,000	$594,425,000

Data-Design Laboratories

7925 Center Avenue
P.O. Box 711
Cucamonga, California 91730
(714) 987-2511

Officers: Thomas C. Beiseker, president & chief executive officer; Dominic P. Salvati, exec. v.p. & secretary; G.L. Milliken, v.p.-planning & contracts; Alan R. Steel, v.p.-finance & treasurer; Stephen M. Andres, v.p.-administration; Milton L. Sneller, v.p.-operations.

Directors: Thomas C. Beiseker, Russell R. O Neill, Hugh E. Witt, John C. Hall, Eugene P. Wilkinson.

Areas of Work: Engaged in two major areas — engineering services and engineered products. Engineering services involve electronics systems design and support, specialized systems fabrication, and technical training services. The majority of engineering services performed are elements of complex military weapon systems programs. Engineered products include high-quality printed circuit boards for the electronics industry; emergency power products for office buildings, factories and public buildings; mechanical components and pressure gauges for original equipment manufacturers.

Divisions:

Instrument Division
7925 Center Avenue
Cucamonga, California 91730
(714) 987-2511

Manufactures and markets a line of custom designed gauges for a wide range of OEM's. Beside life support equipment, products include gauges for SCUBA equipment, emergency aircraft escape slides and life rafts.

Technical Services Division
7925 Center Avenue
Cucamonga, California 91730

Produces packaged training and testing systems for military, institutional and commercial organizations.

Subsidiaries:

Circuit Design & Mfg., Inc.
7945 Center Avenue
Cucamonga, California 91730
(714) 987-6328

Manufactures printed circuit boards.

Aeroscientific Corporation (97% owned)
184 E. Liberty Avenue
Anaheim, California 92801
(714) 871-8110

Manufactures printed circuit boards.

Phoenix Printed Circuits, Inc.
10017 North 19th Avenue
Phoenix, Arizona 85021
(602) 944-2679

Manufactures circuit boards.

Digital Applications, Inc. (85% owned)
2519 National Drive
Garland, Texas 75041

A manufacturer of printed circuit boards.

Custom Systems Associates, Inc.
14100 N.W. Science Park Drive
Portland, Oregon 97229

Manufactures printed circuit boards.

Hydrotronics, Inc.
7926 Jones Branch Drive
Suite 500
McLean, Virginia 22101
(703) 790-5270

Conducts research activities in the area of military underwater communications and underseas warfare systems; engineering and fabrication of electronic warfare threat simulators, microwave transmitter and antenna systems, digital control and interface systems, and electronic countermeasures, jammers, receivers and decoys.

Siltron Illumination, Inc.
1960 West 139th Street
Gardena, California 90249
(213) 770-0985

Produces and designs architecturally compatible emergency lighting systems and emergency power equipment used for essential systems such as fire alarms, communications systems, and industrial pumps, blowers and motors.

Catel Telecommunications, Inc.
(formerly United Scientific Corp.)
Mountain View, California
(415) 969-9400

Manufactures and markets communications equipment and analytical instruments. The signal processing equipment is used in CATV and other cable communications systems and is compatible with coaxial cable, microwave, satellite and fiber optics means of transmission.

Sierra Precision
Cucamonga, California

Produces high pressure gauges and hoses, depth gauges and related products.

Cir-Tech, Inc.
Minneapolis, Minnesota

Manufactures printed circuit boards.

Irlandus Circuits
Northern Ireland

Produces printed wiring boards.

Acquisition(s):

A.J. Electronics, Inc.
Inserts electrical components into printed wiring boards.

Transfer Agent(s):

Bank of America, N.T. & S.A.
55 Hawthorne Street
San Francisco, California 94105

Stock Exchange(s): New York

Ticker Symbol: DDL

Number of Employees:

1985	1,300	1982	1,300
1984	1,300	1981	1,300
1983	1,300		

Plant Footage:

1985 .... 407,000 sq. ft.

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 102,867,000	$ 5,712,000
1984	102,628,000	6,424,000
1983	82,608,000	4,335,000
1982	72,745,000	3,661,000
1981	70,637,000	3,637,000

	No. of Com. Shares #	Earn. per Share #
1985	6,406,214	$ 0.89
1984	6,339,646	1.01
1983	6,274,613	0.69
1982	6,214,905	0.59
1981	6,170,098	0.59

‡ Restated to include operations of A.J. Electronics, Inc., acquired on a pooling of interests basis.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Engineering services	$ 23,639,000	$ 26,436,000
Electronics	56,750,000	55,065,000
Communications	13,151,000	12,290,000
Other	9,327,000	8,837,000
Total	$ 102,867,000	$ 102,628,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.21	—	—
1984	0.18	—	4-for-3
1983	0.14	—	5-for-4
1982	0.14	—	5-for-4
1981	0.11	—	4-for-3

+ Adjusted to reflect stock splits.

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1985	$ 34,932,000	$ 5.47
1984	29,298,000	4.64
1983	24,432,000	3.95
1982	19,852,000	3.23
1981	17,661,000	2.89

‡ Restated.
† Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984 ‡
Net sales	$ 102,867,000	$ 102,628,000
Cost of sales & services	74,549,000	73,069,000
Expenses	16,812,000	16,214,000
Interest expense	3,194,000	2,917,000
Income before taxes	$ 8,312,000	$ 10,428,000
Income taxes	2,600,000	4,004,000
Net Income	$ 5,712,000	$ 6,424,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,006,000 in 1985 and $2,969,000 in 1984.

Assets

As of June 30	1985	1984 ‡
Cash	$ 154,000	$ 1,962,000
Accts. receiv., net	23,912,000	21,109,000
*Inventories	14,614,000	13,760,000
Prepaid expenses	181,000	616,000
Current Assets	$ 38,861,000	$ 37,447,000
#Fixed assets	17,116,000	13,177,000
Other assets	27,407,000	21,470,000
Total Assets	$ 83,384,000	$ 72,094,000

Liabilities

	1985	1984 ‡
Notes payable	$ 6,140,000	$ 1,410,000
Long-term debt, curr.	1,227,000	1,667,000
Accts. payable	5,734,000	5,999,000
Accruals	5,605,000	6,015,000
Income taxes	812,000	2,005,000
Deferred inc. taxes	97,000	(410,000)
Curr. Liabilities	$ 19,615,000	$ 16,686,000
Long-term debt	28,326,000	25,934,000
Minority interest	511,000	176,000
+Common stock	2,129,000	2,105,000
Add. paid-in capital	4,740,000	4,433,000
Retained earnings	28,161,000	23,905,000
For. curr. trans. adj.	(98,000)	—
Unreal. loss on market. secur.	—	(1,145,000)
Total Liabilities & Shareholders' Equity	$ 83,384,00	$ 72,094,000

‡ Restated.
* At cost (FIFO).
# Less accumulated depreciation and amortization.
+ $0.33⅓ par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	8.08	10.16
%Net Income to Sales	5.55	6.26
%Net Income to Equity	16.35	21.93
Sales to Inventories	7.04	7.46
Debt to Equity	1.02	0.99
Working Capital	$19,246,000	$20,761,000
Current Ratio	1.98	2.24
Shareholders' Equity	$34,932,000	$29,298,000

Datapoint Corporation

8119 Datapoint Drive
San Antonio, Texas 78229
(512) 699-7000

Mailing address:
9725 Datapoint Drive
San Antonio, Texas 78284

Officers: Edward P. Gistaro*, president & chief executive oficer; Doris D. Bencsik*, chief operating officer; Richard A. Hahn, sr. v.p.-Americas & Finance; Steward J. Paperin, chief financial officer; Donald J. Shapiro, sr. v.p.-Advanced Product Development; Olaf von Bulow, sr. v.p.-International; Jan F. Ahart, v.p. & treasurer; Richard M. Neville, v.p. & general counsel; John J. Peter, v.p. & corp. controller; Ross Laughead, corp. secretary.

* Member of the Board.

Directors: Asher B. Edelman, chairman of the board; Doris D. Bencsik, Raymond French, Edward P. Gistaro, Daniel R. Kail, Clark P. Mandigo, Charles P. Stevenson, Jr., Dwight D. Sutherland.

Areas of Work: Develops, manufactures and markets a range of office and computer products and systems, including local area networks, multifunction workstations, and dispersed computing and office automation systems, for sale and lease world-wide. Datapoint's Attached Resource Computer (ARC) local area network provides the means for interconnection of multifunction workstations, processors and peripherals to form an integrated information processing system in an office environment.

Subsidiaries:

Inforex, Inc.
186 Middlesex Turnpike
Burlington, Massachusetts 01803
Manufactures, markets, leases and services minicomputer-based systems for data entry and life management on a world-wide basis.

Datapoint-FSC, Inc.
9725 Datapoint Drive
San Antonio, Texas 78284

Datapoint Belgium S.A.
Brussels, Belgium

Datapoint Corporation Pty. Ltd.
Sydney, Australia

Datapoint International Ltd.
London, England

Datapoint do Brasil
Rio de Janeiro, Brazil

Datapoint Canada, Inc.
Toronto, Canada

Datapoint (U.K.) Ltd.
London, England

Datapoint Oy
Helsinki, Finland

Datapoint Metra Informatique, S.A.
Paris, France

Datapoint Deutschland GmbH
Frankfurt, West Germany

Datapoint Nederland B.V.
Gouda, The Netherlands

Datapoint Corporation (N.Z.) Ltd.
Wellington, New Zealand

Datapoint Iberica S.A.
Madrid, Spain

Datapoint Italia, S.P.A.
Milan, Italy

Datapoint (Schweiz) AG
Zurich, Switzerland

Datapoint Svenska AB
Stockholm, Sweden

Transfer Agent(s):

First City National Bank of Houston
P.O. Box 809
Dallas, Texas 77001

Stock Exchange(s): New York

Ticker Symbol: DPT

Number of Employees:

1985	3,982	1982	8,822
1984	8,431	1981	7,915
1983	8,914		

Sales and Earnings

	Revenues	Net Income †
1985	$ 520,168,000	$ (48,264,000)
1984	600,154,000	28,182,000
1983	540,192,000	8,077,000
1982	508,486,000	2,405,000
1981	449,490,000	48,761,000

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	19,582,794	$ —
1984	20,517,822	1.37
1983	20,342,547	0.40

1982	20,273,646	0.12
1981	19,900,221	2.45

† Including extraordinary gains of $2,894,000 ($0.15 per share) in 1985 and 9$1,764,000 ($0.08 per share) in 1984.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1*

* In the form of a stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 276,225,000	$ 14.11
1984	353,861,000	17.25
1983	329,963,000	16.22
1982	326,150,000	16.09
1981	318,423,000	16.00

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended July 31	1985	1984
Net sales, rentals and services	$ 520,168	$ 600,154
Cost of revenue	341,680	314,900
Expenses	238,138	233,801
Shareholders' litigation settle.	6,500	—
Financing expense	5,728	2,532
Inc. (loss) bef. taxes	$ (71,878)	$ 48,921
Income taxes (credit)	(20,720)	22,503
Net Income (Loss)	$ (51,158)	$ 26,418
Extraordinary gain	2,894	1,764
Net Income (Loss) & extraord. gain	$ (48,264)	$ 28,182

* Included in Costs and Expenses, Depreciation and Amortization: $57,318,000 in 1985 and $57,518,000 in 1984.

Assets
(000's)

As of July 31	1985	1984
Cash & temp. cash invest.	$ 60,854	$ 132,452
Accts. receiv., net	116,801	132,734
*Inventories	82,875	99,282
Prepaid expenses	5,426	6,782
Current Assets	$ 265,956	$ 371,250
#Fixed assets	70,909	74,471
#Equip. leased to cust.	8,894	17,374
Field support spares	41,141	45,292
Intangibles	82,141	88,473
Investments	11,567	9,288
Funds held in trust	6,140	—
Other assets	15,703	16,619
Total Assets	$ 502,452	$ 622,767

Liabilities
(000's)

Notes payable	$ 2,498	$ 18,482
Long-term debt, curr.	1,936	7,575
Accts. payable	27,062	36,202
Accruals	69,511	63,865
Income taxes payable	1,200	6,187
Deferred revenue	14,863	18,445
Curr. Liabilities	$ 117,070	$ 150,756
Long-term debt	105,174	110,720
Deferred inc. taxes	930	3,529
Other liabilities	3,053	3,901
+ Common stock	5,104	5,063
Add. paid-in capital	191,802	189,781
For. currency trans. adjust.	(21,403)	(18,242)
Retained earnings	129,169	177,433
Treasury stock	(28,447)	(174)
Total Liabilities & Shareholders' Equity	$ 502,452	$ 622,767

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	8.15
%Net Income to Rev.	—	4.70
%Net Income to Equity	—	7.96
Sales to Inventories	6.28	6.04
Debt to Equity	0.40	0.39
Working Capital	$148,886,000	$220,494,000
Current Ratio	2.27	2.46
Shareholders' Equity	$276,225,000	$353,861,000

Datapower, Inc.

3328 West First Street
Santa Ana, California 92703
(714) 775-2000

Officers: Frederick J. McKee, chairman & president; William O. Fordiani, exec. v.p.; Terry W. Busby, v.p., chief financial officer & secretary; Jerre A. McMahon, sr. v.p.; Gerald A. Felper, Richard T. Tassone, v.p.'s.

Directors: Frederick J. McKee, chairman of the board; William O. Fordiani, Donald Glickman, George N. Riordan, Paul L. Sandoval.

Areas of Work: Designs, manufactures and markets power supplies which are used to convert standard alternating electrical current into direct current with voltage and amperage combinations suitable for operation of computers, computer peripheral devices, and other electronic equipment. These products are sold principally to manufacturers of computers and electronic equipment who install the power supplies in the equipment prior to sale to their customers. Also produces automated test equipment.

Transfer Agent(s):
U.S. Stock Transfer
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DPWR

Sales and Earnings

	Net Sales	Net Income
1985	$ 15,231,000	$ (968,000)
1984	15,042,000	506,000
1983	8,897,000	(347,000)
1982	9,456,000	30,000
1981	7,380,000	(69,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,439,319	$ —
1984	2,140,726	0.24
1983	1,550,065	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 7,569,000	$ 3.10
1984	8,520,000	3.98
1983	2,179,000	1.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Mar. 31	1985	1984
Net sales	$ 15,231,000	$ 15,042,000
Cost of sales	14,059,000	12,233,000
Expenses	2,276,000	2,102,000
Interest expense	149,000	147,000
Income (Loss) before taxes	$ (1,253,000)	$ 560,000
Income taxes	—	54,000
Cum. effect of accntng. change	(285,000)	—
Net Income (Loss)	$ (968,000)	$ 506,000

* Included in Costs and Expenses, Depreciation and Amortization: $545,000 in 1985 and $334,000 in 1984.

Assets

As of Mar. 31	1985	1984
Cash	$ 134,000	$ 917,000
Accts. receiv., net	2,477,000	2,930,000
*Inventories	7,515,000	6,304,000
Prepaid expenses	111,000	57,000
Current Assets	$ 10,237,000	$ 10,208,000
#Fixed assets	1,409,000	1,384,000
Other assets	299,000	396,000
Total Assets	$ 11,945,000	$ 11,988,000

Liabilities

Accts. payable	$ 1,782,000	$ 2,617,000
Accrued payroll	75,000	113,000
Cust. advances	198,000	354,000
Other curr. liab.	255,000	348,000
Curr. Liabilities	$ 2,310,000	$ 3,432,000
Long-term debt	2,066,000	36,000
Common stock	8,527,000	8,510,000
Retained earnings (deficit)	(958,000)	10,000
Total Liabilities & Shareholders' Equity	$ 11,945,000	$ 11,988,000

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation and amortization.

Statistical Summary

%Income bef. Taxes to Sales	—	3.72
%Net Income to Sales	—	3.36
%Net Income to Equity	—	5.94
Sales to Inventories	2.03	2.39
Debt to Equity	0.27	—
Working Capital	$7,927,000	$6,776,000
Current Ratio	4.43	2.97
Shareholders' Equity	$7,569,000	$8,520,000

Dataproducts Corporation

6200 Canoga Avenue
P.O. Box 746
Woodland Hills, California 91365
(818) 887-8000

Officers: Graham Tyson, chairman of the board, president & chief executive; John T. Laws, sr. v.p.-finance & admin.; Frank J. McQuaid, sr. v.p.; Clifford J. Helms, sr. v.p.-technical programs; Clifford M. Jones, sr. v.p.-corporate development; Norman A. Fletcher, sr. v.p.-components operations; Paul D. Weiser, sr. v.p.-secretary & corp. counsel; Paul J. Smith, exec. v.p.-printer business; John W. Leggat, III, sr. v.p.-marketing; Gary D. Bernard, sr. v.p.-human resources; Paul M. McIntire, sr. v.p.-new business development; Allen Surber, sr. v.p.-research engineering-printer division; Cliff O. Bickell, treasurer.

Directors: Graham Tyson, chairman; George W. Brown, Frank G. Chambers, Chester I. Lappen, Jack D. Steele, Vincent N. Marafino, Glenn E. Penisten, Erwin Tomash.

Areas of Work: Designs and manufactures peripherals for data processing systems, including laser band, thermal, matrix and daisy wheel printers. In addition, the Corporation produces data transmission telecommunications equipment for industrial, governmental and commercial use, aerospace equipment and ribbons for computer impact printers.

Divisions:

Woodland Hills Division
6219 DeSoto Avenue
Woodland Hills, California 91365
(213) 887-8000

Subsidiaries:

Dataproducts-Customer Service Division
21300 Roscoe Boulevard
Canoga Park, California 91304

Dataproducts International, Ltd.
Dataproducts House
136-138 High Street, Egham
Surrey, TW20 9HL

Dataproducts (Dublin) Limited
Clonshaugh-Industrial Estate
Dublin 5, Ireland

Dataproducts (Milford)
Route 13
Milford, New Hampshire 03055

Dataproducts Hong Kong, Limited
95, How-Ming Street
Kwun Tong
Kowloon, Hong Kong

Data Products New England, Inc.
Barnes Park North
Wallingford, Connecticut 06492
(203) 265-7151

Dataproducts Supplies Division
9657 Mason Avenue
Chatsworth, California 91311
(213) 882-0530

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American, Pacific, Phila-Balt-Wash.

Ticker Symbol: DPC

Number of Employees:

1985	4,100	1982	4,700
1984	5,651	1981	4,500
1983	N.A.		

Plant Footage:

1985	1,500,000 sq. ft.	1982	1,600,000
1984	N.A.	1981	1,535,000
1983	N.A.		

N.A. - Not Available.

Sales and Earnings

	Net Revenues +	Net Income
1985	$ 471,828,000	$ 27,693,000
1984	398,636,000	26,040,000
1983	317,671,000	13,761,000
1982	289,740,000	4,676,000
1981	288,308,000	17,334,000

	No. of Com. Shares #	Earn. per Share #
1985	20,911,000	$ 1.32
1984	20,599,000	1.26
1983	19,561,000	0.70
1982	19,306,000	0.24
1981	16,624,000	1.04

+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Slit
1985	$0.16	—	—
1984	0.16	—	—
1983	0.15	100%	—
1982	0.15	—	—
1981	0.15	—	—

Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 242,929,000	$ 11.70
1984	217,921,000	10.53
1983	169,927,000	8.70
1982	158,648,000	8.16
1981	154,848,000	8.09

Adjusted to reflect stock dividend.

Income Account *

Year ended	3/30/85	3/31/84
Net revenues	$ 471,828,000	$ 398,636,000
Cost of revenues	324,792,000	271,013,000
Expenses	114,680,000	98,095,000
Interest expense	3,508,000	88,000
Income before taxes	$ 28,848,000	$ 29,440,000
Income taxes	1,155,000	3,400,000
Net Income	$ 27,693,000	$ 26,040,000

* Included in Costs and Expenses, Depreciation and Amortization: $13,234,000 in 1985 and $12,444,000 in 1984.

Assets

As of	3/30/85	3/31/84
Cash & securities	$ 54,522,000	$ 15,016,000
Short-term investments	66,949,000	61,188,000
Accts. receiv., net	84,780,000	86,680,000
*Inventories	85,100,000	87,204,000
Tax refund receivable	564,000	1,158,000
Prepaid expenses	2,789,000	2,968,000
Current Assets	$ 294,714,000	$ 254,214,000
#Fixed assets	60,404,000	52,345,000
Intangibles	13,723,000	14,203,000
Other assets	1,442,000	6,483,000
Total Assets	$ 370,283,000	$ 327,245,000

Liabilities

Notes payable	$ 53,908,000	$ 26,875,000
Accts. payable	28,205,000	36,084,000
Accruals	14,673,000	13,588,000
Income taxes	3,651,000	1,802,000
Long-term debt, curr. portion	3,000,000	1,332,000
Other liabilities	3,813,000	2,056,000
Dividends payable	1,661,000	1,657,000
Curr. Liabilities	$ 108,911,000	$ 83,394,000
Long-term debt	12,575,000	14,951,000
Deferred inc. taxes	4,093,000	9,350,000
Other liabilities	1,775,000	1,629,000
+Common stock	2,076,000	2,069,000
Add. paid-in capital	97,302,000	96,673,000
Retained earnings	143,551,000	119,179,000
Total Liabilities & Shareholders' Equity	$ 370,283,000	$ 327,245,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	6.11	7.39
%Net Income to Revenues	5.87	6.53
%Net Income to Equity	11.40	11.95
Sales to Inventories	5.54	4.57
Debt to Equity	0.29	0.20
Working Capital	$185,803,000	$170,820,000
Current Ratio	2.71	3.05
Shareholders' Equity	$242,929,000	$217,921,000

Datascope Corp.

580 Winters Avenue
P.O. Box 5
Paramus, New Jersey 07653
(201) 265-8800

Officers: Lawrence Saper, chairman, president & treasurer; George Heller, sr. v.p. & secretary; Ernst Janzen, sr. v.p.-int'l.; Bruce L. Hanson, v.p.-operations; William H. Terrell, v.p.-corp. design; Greg Buis, v.p.-marketing; Andre Cohen, v.p.-international marketing.

Directors: David Altschiller, William L. Asmundson, Joseph Grayzel, George Heller, Alan J. Patricof, Lawrence Saper, Norman Schneider.

Areas of Work: Designs, manufactures and markets electronic medical instruments and related products for clinical health care applications. The product lines are divided into three areas: physiological monitors, defibrillator systems and cardiac assist systems.

Products include a microprocessor based blood pressure monitor which measures and displays systolic, diastolic, average blood pressure values and heart rate. In addition to the display, a built-in printer prints all the numerical results along with date and time. Also the company manufactures defibrillator systems which consist of a monitor for heart rhythm/rate, a recorder, and a defibrillator for administering an electrical discharge for restoring normal heart rhythm.

Subsidiaries:

Datascope B.V.
Hoevelaken, Holland

Datascope GmbH
Bremen, West Germany

Datascope Medical Co. Ltd.
Cambridge, United Kingdom

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSCP (NASDAQ)

Number of Employees:

1985	730	1982	540
1984	690	1981	560
1983	630		

Plant Footage:

1985	145,000 sq. ft.	1982	113,000
1984	138,000	1981	113,000
1983	127,000		

Sales and Earnings

	Net Sales	Net Income‡
1985	$ 50,550,000	$ 1,688,266
1984	42,229,592	1,881,163
1983	37,806,114	2,094,032
1982	31,200,496	1,592,855
1981	31,180,269	2,739,541

	No. of Com. Shares +	Earn. per Share † ‡
1985	2,463,000	$ 0.69
1984	2,449,000	0.77
1983	2,477,000	0.85
1982	2,385,000	0.67
1981	2,389,000	1.15

‡ Including extraordinary gains of $164,000 ($0.07 per share) in 1985 and $615,000 ($0.25 per share) in 1984.
+ Based on weighted average number of shares outstanding.
† Based on weighted average number of shares outstanding assuming full dilution.

Revenue By Line of Business

	1984	1983	1982	1981
Monitor/defibrillator systems	15%	18%	24%	26%

Physiological monitoring pro.	41	39	36	31
Cardiac assist systems	44	43	40	43
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 21,209,416	$ 8.61
1984	19,524,679	7.97
1983	17,634,735	7.12
1982	15,200,877	6.37
1981	13,540,428	5.67

+ Based on weighted average number of shares outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 50,550,000	$ 42,229,592
Cost of sales	23,286,000	19,589,718
Expenses	24,994,734	20,664,311
Income before taxes	$ 2,269,266	$ 1,975,563
Income taxes	745,00	710,00
Net Income	$ 1,524,266	$ 1,265,563
Extraord. gain	164,000	615,600
Net Income & Extraord. Gain	$ 1,688,266	$ 1,881,163

* Included in Costs and Expenses, Depreciation and Amortization: $2,862,130 in 1985 and $1,475,290 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 1,136,941	$ 848,972
Treasury bills	4,173,746	7,911,255
Accts. receiv., net	14,572,040	10,918,359
*Inventories	15,830,330	13,525,323
Prepaid expenses	1,369,745	955,344
Current Assets	$ 37,082,802	$ 34,159,253
#Fixed assets	8,935,524	7,027,600
Other assets	1,669,033	1,383,901
Total Assets	$ 47,687,359	$ 42,570,754

Liabilities

Short-term debt	$ 1,597,713	$ 968,327
Accts. payable	4,005,367	2,817,139
Accruals	5,518,242	3,587,314
Income taxes	1,777,450	1,674,044
Long-term debt, curr.	129,709	144,612
Curr. Liabilities	$ 13,028,481	$ 9,191,436
Other liabilities	346,530	182,004
Long-term debt	11,956,702	12,886,405
Deferred inc. taxes	1,146,230	786,230
+Common stock	24,014	23,964
Add. paid-in capital	3,007,935	2,927,617
Retained earnings	18,378,749	16,690,483
Treasury stock	(12,648)	(12,648)
Cum. trans. adjust.	(188,634)	(104,737)
Total Liabilities & Shareholders' Equity	$ 47,687,359	$ 42,570,754

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.49	4.68
%Net Income to Sales	3.02	3.00
%Net Income to Equity	7.19	6.48
Sales to Inventories	3.19	3.12
Debt to Equity	0.65	0.72
Working Capital	$24,054,321	$24,967,817
Current Ratio	2.85	3.72
Shareholders' Equity	$21,209,416	$19,524,679

Datasouth Computer Corporation

4216 Stuart Andrew Boulevard
P.O. Box 240947
Charlotte, North Carolina 28224
(704) 523-8500

Officers: Carl Morath, chairman; James W. Busby, president; K. Nick Waller, exec. v.p.-operations; Gordon W. Friedrich, v.p.-finance, treasurer & secretary; Jess D. Lafollette, v.p.-mfg.; Charles C. Farthing, v.p.-sales.

Directors: Carl Morath, chairman of the board; James W. Busby, Milford R. Derrick, William M. Hammock, W. Olin Nisbet, III.

Areas of Work: Designs, manufactures, and distributes computer printers and related products, used primarily with distributed data processing systems and word processors.

Subsidiaries:

Datasouth International Sales Corporation

Transfer Agent(s):

Wachovia Bank and Trust Company, N.A.
P.O. Box 3001
Winston-Salem, North Carolina 27102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSCC (NASDAQ)

Sales and Earnings

	Revenue	Net Income
1985	$ 20,852,000	$ 1,163,000
1984	18,395,000	1,817,000
1983	17,701,000	2,613,000
1982	12,514,000	1,772,000
1981	6,215,000	837,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	5,841,000	$ 0.20
1984	5,841,000	0.31
1983	5,447,000	0.49
1982	5,219,000	0.35
1981	5,851,000	0.14

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 16,826,000	$ 2.88
1984	15,663,000	2.68
1983	13,847,000	2.54
1982	3,119,000	0.60
1981	1,291,000	0.22

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 20,851,918	$ 18,394,598
Cost of sales	14,016,307	11,939,550
Expenses	5,566,145	4,535,867
Interest income	(572,285)	(732,885)
Other income	(818)	(7,126)
Income before taxes	$ 1,842,569	$ 2,659,192
Income taxes	679,509	842,638
Net Income	$ 1,163,060	$ 1,816,554

* Included in Costs and Expenses, Depreciation and Amortization: $675,950 in 1985 and $502,476 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 8,638,981	$ 6,752,405
Accts. receiv., net	2,229,762	2,356,026
*Inventories	4,255,341	4,940,001
Prepaid expenses	126,101	90,006
Current Assets	$ 15,250,185	$ 14,138,438
#Fixed assets	2,710,421	2,467,186
Other assets	496,856	435,714
Total Assets	$ 18,457,462	$ 17,041,338

Liabilities

Cap. lease oblig., curr.	$ 4,588	$ 2,691
Accts. payable	831,248	848,674
Emp. taxes withheld	17,415	50,139
Acrued payroll	186,413	152,113
Accrued inc. taxes	54,081	51,598
Accrued profit-sharing	76,774	110,800
Other accruals	382,667	90,000
Curr. Liabilities	$ 1,553,186	$ 1,306,015
Cap. lease oblig.	29,235	21,019
Deferred inc. taxes	48,661	50,984
+Common stock	58,410	58,410
Add. paid-in capital	8,145,570	8,145,570
Retained earnings	8,622,400	7,459,340
Total Liabilities & Shareholders' Equity	$ 18,457,462	$ 17,041,338

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.84	14.46
%Net Income to Sales	5.58	9.88
%Net Income to Equity	6.91	11.60
Sales to Inventories	4.90	3.72
Working Capital	$13,696,999	$12,832,423
Current Ratio	9.82	10.83
Shareholders' Equity	$16,826,380	$15,663,320

Datatron, Inc.

2942 Dow Avenue
Tustin, California 92680
(714) 544-9970

Officers: Gary R. Mounts, chairman of the board; S. Lewis Meyer, president; Frank Blaha, v.p.-operations; Mark A. Voorhis, v.p.-administration, treasurer & asst. secretary.

Directors: Leona Purcilly Strand, S. Lewis Meyer, Arthur L. Purcilly, Gary R. Mounts, Louis J. Knobbe, C. Craig Carlson, Daniel R. Crooks, Kenneth S. Kasdan, Robert J. Stearns, Ronald L. Stoddart.

Areas of Work: Manufactures microprocessors and computer controlled electronic systems and components.

Divisions and Subsidiaries:

Shelly Associates, Component Products
Video Systems Division
Test Systems Division
Interactive Video Division

all at:

2942 Dow Avenue
Tustin, California 92680
(714) 544-9970

Waybern Corporation
Distributes microcomputer hardware and software in the southwestern United States.

Transfer Agent(s):

Union Bank
310 Wilshire Blvd.
Los Angeles, California 90010

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DTRN (NASDAQ)

Number of Employees:

1981	130	1979	142
1980	149		

Plant Footage:

1981	45,000 sq. ft.	1979	27,000
1980	45,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1983	$ 4,709,807	$ (367,340)
1982	6,256,390	(976,538)
1981	6,243,329	(86,901)
1980	6,312,439	574,046
1979	5,058,810	231,108

	No. of Com. Shares	Earn. per Share ‡#
1983	3,168,389	$ —
1982	2,696,039	—
1981	2,181,039	—
1980	1,847,289	0.23
1979	1,817,039	0.13

(Loss)

+ Of continuing operations only.

‡ Including extraordinary credits of $135,000 ($0.05 per share) in 1980, $92,000 ($0.05 per share) in 1979, and extraordinary loss of $68,518 ($0.03 per share) in 1981.

Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1983	$ 2,678,527	$ 0.85
1982	2,507,877	0.93
1981	2,944,421	1.35
1980	2,488,580	1.35
1979	1,897,518	1.04

Income Account *

Year ended June 30	1983	1982
Net sales	$ 4,709,807	$ 6,256,390
Cost of sales	2,597,875	3,837,378
Expenses	2,944,343	3,352,021
Interest expense	127,682	153,587
Gain on non-recurring trans.	(715,023)	—
Building reserve	175,000	—
Interest income	(52,730)	(110,058)
Net Loss	$ (367,340)	$ (976,538)

* Included in Costs and Expenses, Depreciation and Amortization: $224,224 in 1983 and $172,014 in 1982.

Assets

As of June 30	1983	1982
Cash	$ 352,630	$ 221,988
Receivables	1,374,762	964,846
*Inventories	1,351,493	1,752,262
Prepaid expenses	52,603	121,197
Current Assets	$ 3,131,488	$ 3,060,293
#Fixed assets	598,862	778,835
Sale of assets	200,000	—
Note receiv.	186,960	233,545
Def. underwriting fees	33,104	62,025
Other assets	177,663	139,423
Total Assets	$ 4,328,077	$ 4,274,121

Liabilities

Note payable	$ 374,852	$ 250,357
Accts. payable	249,699	413,057
Building reserve	175,000	—
Accruals	301,364	318,181
Accrued payroll	104,655	166,006
Commissions	46,814	30,576
Long-term debt, curr.	48,353	46,694
Curr. Liabilities	$ 1,300,737	$ 1,224,871
Long-term debt	348,813	541,373
+ Common stock	3,206,351	2,642,399
Add. paid-in capital	575,103	601,065
Retained earnings (deficit)	(1,102,927)	(735,587)
Total Liabilities & Shareholders' Equity	$ 4,328,077	$ 4,274,121

* At lower of average cost or market.

# Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

Sales to Inventories	3.48	3.57
Working Capital	$1,830,751	$1,835,422
Current Ratio	2.41	2.50
Shareholders' Equity	$2,678,527	$2,507,877

Datum Inc.

1363 South State College Boulevard
Anaheim, California 92806
(714) 533-6333

Officers: Louis B. Horwitz, chairman of the board & president; William E. Baldwin, v.p. & president-Timing Division; Helmut W. Hellwig, v.p. & pres.-Frequency and Time Systems, Inc.; Benjamin F. Tarver, v.p.-finance, treasurer & secretary; Martha Gibbs, asst. secretary.

Directors: Louis B. Horwitz, chairman; Edward A. Money, G. Tilton Gardner, Dan L. McGurk, Thomas J. O'Rourke.

Areas of Work: Engaged in the design, development and manufacture of precision frequency and timing instrumentation products.

Subsidiary:

Frequency and Time Systems, Inc.
34 Tozer Road
Beverly, Massachusetts 01915
(617) 927-8220

Acquisition(s):

Bancomm Corporation
San Jose, California
Produces a line of timing instrumentation products.

Transfer Agent(s):

Wells Fargo Bank, N.A.
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DATM (NASDAQ)

Sales and Earnings

	Net Sales	Net Income +
1985	$ 19,137,000	$ 976,000
1984	19,456,000	1,546,000
1983	18,595,000	1,094,000
1982	11,663,000	(1,326,000)
1981	12,749,000	(238,000)

	No. of Com. Shares	Earn. per Share ‡ +
1985	2,798,863	$ 0.33
1984	2,937,163	0.53
1983	2,921,063	0.47
1982	2,000,063	—
1981	1,998,788	—

(Loss)

+ Including extraordinary gains of $187,000 ($0.07 per share) in 1984 and $144,000 ($0.06 per share) in 1983.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 14,190,000	$ 5.07
1984	13,858,000	4.72
1983	12,118,000	4.15
1982	2,490,000	1.24
1981	3,752,000	1.88

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 19,137,000	$ 19,456,000
Cost of sales	11,290,000	11,264,000
Expenses	6,300,000	5,926,000
Interest income	(203,000)	(389,000)
Income before taxes	$ 1,750,000	$ 2,655,000
Income taxes	774,000	1,296,000
Net Income	$ 976,000	$ 1,359,000
Extraord. gain	—	187,000
Net Income & extraord. gain	$ 976,000	$ 1,546,000

* Included in Cost and Expenses, Depreciation and Amortization: $519,000 in 1985 and $511,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 3,918,000	$ 5,360,000
Accts. receiv., net	5,413,000	5,209,000
*Inventories	3,717,000	2,927,000
Prepaid expenses	71,000	114,000
Income taxes receiv.	478,000	—
Deferred income taxes	—	170,000
Current Assets	$ 13,597,000	$ 13,780,000
#Fixed assets	4,685,000	3,652,000
Other assets	1,572,000	1,366,000
Total Assets	$ 19,854,000	$ 18,798,000

Liabilities

Long-term debt, curr.	$ 219,000	$ 198,000
Accts. payable	776,000	712,000
Income taxes payable	—	356,000
Accruals	1,082,000	1,059,000
Curr. Liabilities	$ 2,077,000	$ 2,325,000
Long-term debt	2,392,000	2,615,000
Deferred income taxes	1,195,000	—
+ Common stock	700,000	734,000
Add. paid-in capital	10,485,000	11,095,000
Retained earn.	3,005,000	2,029,000
Total Liabilities & Shareholders' Equity	$ 19,854,000	$ 18,798,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ $0.25 par value.

Statistical Summary

%Income bef Taxes to Sales	9.14	13.65
%Net Income to Sales	5.10	6.98
%Net income to Equity	6.88	9.81
Sales to Inventories	5.15	6.65
Debt to Equity	0.18	0.25
Working Capital	$11,520,000	$11,455,000
Current Ratio	6.55	5.93
Shareholders' Equity	$14,190,000	$13,858,000

DBA Systems, Inc.

P.O. Drawer 550
1200 South Woody Burke Road
Melbourne, Florida 32902
(305) 725-3711

Officers: Howard N. Hebert, chairman of the board, president & chief exec. officer; John L. Schaumann, v.p.; Jon D. Guess, v.p. & controller; Edward I. Williams, sr. v.p.; Gary J. Cooey, v.p.-administration; Gerald A. Nathe, sr. v.p. & president-LogEtronics, Inc.; John N. Elder, v.p. & treasurer; Eugene S. Cavallucci, v.p., gen. counsel & secretary; Charles N. Keating, Jr., v.p.-business development.

Directors: Howard N. Hebert, chairman; George L. MacKay, Harry Huge, William C. Potter, Brent Scowcroft, Jonathan L. Collens, Sr., John C. Colman, Gordon O.F. Johnson, Franklin S. Atwater, M. Alan Bishop, Martin L. Blatt, Gerald A. Nathe, Harold M. Agnew.

Areas of Work: Engaged in the development and production of trackers used in airborne and ground based weapons, and for satellites, and gun fire-control systems; message switching systems as well as complete message preparation and distribution terminals. Produces instrumentation and systems for photogrammetric structural measurement and aerial photography, primarily for government use.

Divisions and Subsidiaries:

DBA Systems, Inc.-Washington D.C. Division
11781 Lee Jackson Memorial Hwy.
Fairfax, Virginia 22033
(703) 591-0800

Imaging Systems Division
Electronic Systems Division
Manufacturing Division
Computer Science Division
Photogrammetric Services Division

MTL Systems, Inc.
3481 Dayton-Xenia Road
Dayton, Ohio 45431
(513) 426-3111

Produces digital image processing equipment, photographic laboratory automation and evaluation.

Dunn Instruments, Inc.
544 Second Street
San Francisco, California 94107
(415) 957-1600

LogEtronics, Inc.
7001 Loisdale Road
Springfield, Virginia 22150
(703) 971-1400

LogEtronics AG
Industriestrasse 57
CH-8152 Glattbrugg
Switzerland
4118106610

LogEtronics GmbH
Dieselstrasse 10
6242 Kronberg 2
West Germany
4961736988

Luth International A/S
Merkurvej 2
4200 Slagelse
Denmark
03529100

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DBAS (NASDAQ)

Number of Employees:

1985	800	1982	346
1984	800	1981	265
1983	425		

Sales and Earnings

	Revenues	Net Income #
1985	$ 66,011,603	$ 3,481,856
1984	38,086,675	2,445,330
1983	28,374,574	1,841,677
1982	24,646,745	1,343,587
1981	13,485,316	748,211

	No. of Com. Shares ‡	Earn. per Share ‡#
1985	3,718,270	$ 0.94
1984	3,058,731	0.80
1983	2,637,731	0.70
1982	2,233,406	0.60
1981	2,223,070	0.34

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Including extraordinary gains of $18,000 ($0.01 per share) in 1982 and $36,300 ($0.02 per share) in 1981.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	4-for-3 & 3-for-2
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 26,227,730	$ 7.05
1984	22,587,964	7.38
1983	13,405,232	5.08
1982 *	4,536,828	2.03
1981	3,171,531	1.43

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended	1985	1984
Revenues	$ 66,011,603	$ 38,086,675
Cost of sales	52,297,607	32,940,340
Expenses	8,148,610	1,626,425
Interest expense	875,808	305,257
Other income	(466,593)	(549,659)
Eq. in earn. of affil.	(635,685)	(106,018)
Income before taxes	$ 5,791,856	$ 3,870,330
Income taxes	2,310,000	1,425,000
Net Income	$ 3,481,856	$ 2,445,330

* Included in Costs and Expenses, Depreciation: $1,861,938 in 1985 and $736,757 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 678,723	$ 2,328,801
Market. secur.	—	500,000
Accts. receiv., net	12,303,781	11,036,963
Earnings in excess of billings	4,679,915	3,560,744
Refund. inc. taxes	—	645,867
*Inventories	11,186,435	10,351,759
Other curr. assets	544,671	429,787
Current Assets	$ 29,393,525	$ 28,853,921
#Fixed assets	9,501,211	9,610,135
Other assets	8,044,717	6,046,281
Total Assets	$ 46,939,453	$ 44,510,337

Liabilities

Notes payable	$ —	$ 112,713
Long-term debt, curr.	1,398,189	361,355
Accts. payable	3,759,265	4,410,880
Accruals	4,344,382	3,271,823
Billings in exc. of costs	218,658	124,099
Income taxes payable	364,532	—
Other curr. liab.	231,138	1,339,692
Curr. Liabilities	$ 10,316,164	$ 9,620,562
Deferred taxes	1,893,421	3,229,895
Long-term debt	8,502,138	8,997,129
Deferred compens.	—	74,787
+ Common stock	392,995	387,058
Add. paid-in capital	15,650,475	15,248,608
Retained earnings	10,586,754	7,104,898
Currency trans. adj.	(274,108)	(24,214)
Treasury stock	(128,386)	(128,386)
Total Liabilities & Shareholders' Equity	$ 46,939,453	$ 44,510,337

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	8.77	10.16
%Net Income to Revenues	5.27	6.42
%Net Income to Equity	13.28	10.83
Sales to Inventories	5.90	—
Debt to Equity	0.38	0.42
Working Capital	$19,077,361	$19,233,359
Current Ratio	2.85	3.00
Shareholders' Equity	$26,227,730	$22,587,964

Decision Industries Corporation

400 Horsham Road
Horsham, Pennsylvania 19044-0996
(215) 674-3300

Officers: Richard J. Schineller, president & chief executive officer; Carl W. Stursberg, Jr., chairman of the board; Joseph J. Ciasullo, exec. v.p., chief operating & financial officer; Howard Bernard, sr. v.p., & general counsel; Larry Gerhard, president-General Products Division & Decision Development Corp.; John J. Brennan, v.p.-business planning; Derek M. James, v.p. engineering; Michael D. Brody, sr. v.p.-marketing; Guy Schaub, v.p.-international; Walter Sparrow, v.p.-mfg.; William A. Catania, pres.-Decision Data Service, Inc.; David Connell, pres.-Division Restaurant Systems Corp.; Joel F. Sussman, treasurer & asst. secretary; Vincent M. Dadamo, corporate secretary & asst. gen. counsel; John G. Cannon, controller.

Directors: Howard Bernard, Carl W. Stursberg, Jr.*, Dause L. Bibby, Richard J. Schineller*, Frank E. Lane, Emil R. Borgers, Richard W. Sonnenfeldt*.

* Member of the Executive Committee.

Areas of Work: Holding company for computer peripheral manufacturing, software and systems development, and computer service companies.

Subsidiaries:

Decision Data Computer International Ltd.
Decision Data Leasing Corporation
Decision Data Properties Corporation
Decision Data Computer Corporation
International Computerized Telemarketing, Inc. (85% owned)
Decision Data Service, Inc.
Decision Data Direct, Inc.
Decision Development Corporation (87% owned)
Decision International Corporation
Decision Restaurant Systems Corporation
Decision Realty Investment Corporation
Jones Business Systems
Panatec
Decision Beverage Systems Corp.

Decision Data Computer International, S.A.
15 Rue de l'Hospital
1701 Fribourg, Switzerland

Decision Data Computer (Canada) Inc.
Montreal, Quebec; Toronto, Ontario, Vancouver, British Columbia

Decision Data Computer (Belgium) S.A.
Avenue E. De Mot 10
B-1050 Brussels, Belgium

Decision Data Computer (G.B.) Ltd.
London and Manchester, England

Decision Data Computer, S.A.
Paris, France

Decision Data Computer GmbH
Frankfurt, Hamburg, Hanover, Munich and Stuttgart, West Germany.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): New York

Ticker Symbol: DIC

Number of Employees:

1985	1,783	1982	1,100
1984	N.A.	1981	920
1983	1,300		

Plant Footage:

1985	154,300 sq. ft.	1982	149,000
1984	N.A.	1981	125,000
1983	174,000		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income ‡
1985	$ 176,378,000	$ 7,834,000
1984	147,017,000	7,986,000

1983	103,823,000	5,376,000
1982	74,319,000	3,809,000
1981	50,101,000	2,055,000

	No. of Com. Shares	Earn. per Share #‡
1985	9,370,184	$ 0.86
1984	7,797,762	1.02
1983	7,650,743	0.72
1982	5,191,933	0.57
1981	5,032,718	0.37

‡ Including extraordinary gains of $321,000 ($0.04 per share) in 1983, $1,051,000 ($0.16 per share) in 1982, $703,000 ($0.13 per share) in 1981.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 86,781,000	$ 9.26
1984	51,506,000	6.61
1983	42,737,000	5.59
1982	21,805,000	4.20
1981	17,650,000	3.51

Income Account *
(000's)

Year ended Nov. 30	1985	1984
Net sales	$ 125,874	$ 106,273
Other income	50,504	40,744
Revenues	$ 176,378	$ 147,017
Cost of revenues	45,941	88,627
Interest expense	494	254
Expenses	57,999	44,601
Income before taxes	$ 11,869	$ 13,535
Income taxes	4,035	5,549
Net Income	$ 7,834	$ 7,986

* Included in Costs and Expenses, Depreciation and Amortization: $3,732,000 in 1985 and $3,242,000 in 1984.

Assets
(000's)

As of Nov 30	1985	1984
Cash	$ 20,375	$ 5,067
Receiv., net	31,588	25,407
*Inventories	41,770	36,965
Prepaid expenses	1,162	1,268
Def. inc. taxes	5,509	4,083
Other curr. assets	2,445	581
Current Assets	$ 102,849	$ 73,371
Receivables	2,958	3,301
Rental equip.	1,990	2,423
#Fixed assets	13,013	7,491
Software	3,794	—
Defer. commissions	514	379
Total Assets	$ 125,118	$ 86,965

Liabilities
(000's)

Notes payable	$ 3,961	$ —
Long-term debt, curr.	360	324
Accts. payable	10,321	12,444
Accruals	11,152	12,321
Income taxes	5,907	5,873
Deferred revenues	3,187	1,659
Curr. Liabilities	$ 34,888	$ 32,621
Long-term debt	1,268	1,287
Deferred income taxes	2,181	1,551
+ Common stock	942	784
Add. paid-in capital	64,409	37,830
Retained earnings	21,587	13,753
Treasury stock	(378)	(322)
For. curr. trans. adj.	221	(539)
Total Liabilities & Shareholders' Equity	$ 125,118	$ 86,965

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	6.73	9.21
%Net Income to Revenues	4.44	5.43
%Net Income to Equity	9.03	15.50
Debt to Equity	0.06	0.03
Working Capital	$67,961,000	$40,750,000
Current Ratio	2.95	2.25
Shareholders' Equity	$86,781,000	$51,506,000

Decom Systems, Inc.

340 Rancheros Drive
San Marcos, California 92069
(619) 744-1002

Officers: John A. Robinson, Jr., chairman, president & chief exec. officer; Richard K. Carrien, v.p.-manufacturing & secretary; George F. Tremain, v.p.-marketing and corp. development; Timothy P. Haidinger, president-New West Ventures; Steven E. Borgardt, treasurer & chief financial officer.

Directors: John A. Robinson, chairman; Richard K. Carrine, Kenneth D. Holland, George F. Tremain, Timothy P. Haidinger.

Areas of Work: Designs, manufactures, and markets a wide range of electronic communications equipment in two primary markets - aerospace telecommunications and land mobile radio communications.

Subsidiaries:

Coded Communications Corporation
San Marcos, California 92069

Coded Communications Network Systems
San Marcos, California 92069

DSI Management Company
San Marcos, California 92069

Decom Systems GmbH
Munich, West Germany

Transfer Agent(s):

California First Bank
Trust Department
8155 Mercury Court
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DSII (NASDAQ)

Sales and Earnings

	Revenues	Net Income
1985	$ 11,034,000	$ (3,905,000)
1984	9,720,000	660,000
1983	7,202,000	550,000
1982	5,715,000	370,000
1981	3,821,000	152,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,656,000	$ —
1984	2,774,000	0.24
1983	2,781,000	0.20
1982	2,165,000	0.17
1981	1,750,000	0.09

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Aerospace telecommunications	$ 5,847,000	$ 4,206,000
Land mobile radio communications	5,187,000	5,514,000
Total	$ 11,034,000	$ 9,720,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 847,000	$ 0.32
1984	4,749,000	1.71
1983	4,004,000	1.44
1982	2,590,000	1.20
1981	501,000	0.29

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 11,034,000	$ 9,720,000
Cost of sales	6,351,000	5,501,000
Expenses	5,255,000	3,129,000
Loss on restructuring	1,002,000	—
Interest expense	249,000	73,000
Losses in limited partnership	2,352,000	12,000
Inc. (loss) bef. taxes	$ (4,175,000)	$ 1,005,000
Income taxes (credit)	(270,000)	345,000
Net Income (Loss)	$ (3,905,000)	$ 660,000

* Included in Costs and Expenses, Depreciation and Amortization: $405,000 in 1985 and $290,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash & cash equiv.	$ 371,000	$ 267,000
Accts. receiv., net	1,679,000	2,609,000
Unbilled costs	169,000	24,000
Refundable taxes	180,000	—
*Inventories	3,685,000	2,912,000
Deferred charges	292,000	115,000
Current Assets	$ 6,376,000	$ 5,927,000
Investments in limited partnerships	—	12,000
#Fixed assets	1,429,000	1,030,000
Intangibles	347,000	356,000
Total Assets	$ 8,152,000	$ 7,325,000

Liabilities

Notes payable & long-term debt, curr.	$ 456,000	$ 25,000
Accts. payable	541,000	368,000
Accrued payroll	329,000	258,000
Accrued commissions	239,000	198,000
Other accruals	522,000	245,000
Deferred revenue	—	423,000
Income taxes	108,000	149,000
Losses in limited partnerships	333,000	—
Deferred inc. taxes	—	37,000
Curr. Liabilities	$ 2,528,000	$ 1,703,000
Long-term debt	1,724,000	773,000
Losses in limited partnerships	1,620,000	—
Convert. subord. debentures	1,400,000	—
Deferred inc. taxes	33,000	100,000
+ Common stock	2,730,000	2,727,000
Retained earnings (deficit)	(1,883,000)	2,022,000
Total Liabilities & Shareholders' Equity	$ 8,152,000	$ 7,325,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	10.34
%Net Income to Sales	—	6.79
%Net Income to Equity	—	13.90

Sales to Inventories	2.99	3.34
Debt to Equity	2.57	0.17
Working Capital	$3,848,000	$4,224,000
Current Ratio	2.52	3.48
Shareholders' Equity	$ 847,000	$4,749,000

Del Electronics Corp.

250 E. Sandford Boulevard
Mount Vernon, New York 10550
(914) 699-2000

Officers: Raymond Kaufman, chairman of the board; Leonard A. Trugman, chief executive officer & president; Walter Young, v.p.-marketing; William Kaufman, v.p.-administration, manufacturing & secretary; John Pignataro, v.p.-development engineering.

Directors: Raymond Kaufman, chairman; Leonard A. Trugman, Hugo J. DiGiovanni, James Tiernan, Robert Reich.

Areas of Work: Manufacturer of high voltage power supplies and accessory high voltage equipment for military, commercial and industrial purposes.

Transfer Agent(s):

Chase Manhattan Bank
1 Chase Manhattan Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DELE (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 6,481,374	$ (47,887)
1984	6,121,436	(36,207)
1983	5,708,817	(722,161)
1982	6,626,460	317,702 *
1981	6,851,861	407,857

	No. of Com. Shares +	Earn. per Share #
1985	807,158	$ —
1984	807,158	—
1983	807,158	—
1982	807,158	0.39
1981	807,158	0.50

(Loss)
+ Adjusted to reflect stock dividend.
# Based on the average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	25%	—
1983	0.06	—	—
1982	0.12	—	—
1981	0.12	—	—

Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 1,363,177	$ 1.69
1984	1,411,064	1.75
1983	1,447,605	1.79
1982	2,218,201	2.75
1981	1,997,369	2.45

Adjusted to reflect stock dividend.

Income Account *

Year ended July 31	1985	1984
Net sales	$ 6,481,374	$ 6,121,436
Cost of sales	5,399,540	4,766,930
Expenses	1,199,428	1,448,593
Other income	(9,228)	(18,880)
Loss before taxes	$ (108,366)	$ (75,207)
Tax credit	(60,479)	(39,000)
Net Loss	$ (47,887)	$ (36,207)

* Included in Costs and Expenses, Depreciation: $32,926 in 1985 and $33,410 in 1984.

Assets

As of July 31	1985	1984
Cash	$ 227,749	$ 111,241
Accts. receiv., net	1,240,032	1,043,182
*Inventories	1,236,758	1,224,321
Prepaid expenses	13,793	8,832
Income tax refund	49,998	124,920
Current Assets	$ 2,768,330	$ 2,512,496
#Fixed assets	98,792	125,284
Total Assets	$ 2,867,122	$ 2,637,780

Liabilities

	1985	1984
Notes payable	$ 451,000	$ 300,000
Accts. payable	620,056	298,609
Accruals	84,224	72,410
Accrued payroll	341,463	299,890
Payroll taxes	7,202	55,807
Curr. Liabilities	$ 1,503,945	$ 1,026,716
Note payable	—	200,000
+ Common stock	80,716	80,716
Add. paid-in capital	899,615	899,615
Retained earnings	382,846	430,733
Total Liabilities & Shareholders' Equity	$ 2,867,122	$ 2,637,780

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	5.24	5.00
Debt to Equity	0.33	0.35
Working Capital	$1,264,385	$1,485,780
Current Ratio	1.84	2.45
Shareholders' Equity	$1,363,177	$1,411,064

Designatronics Incorporated

2101 Jericho Turnpike
New Hyde Park, New York 11040
(516) 328-3330

Officers: Sol Schwartz, president; Joseph Rubenfeld, exec. v.p. & treasurer; Martin Hoffman, Frank Buchsbaum, sr. v.p.'s; Hitoshi Tanaka, v.p.; Shirley Brown, secretary.

Directors: Frank Buchsbaum, Martin Hoffman, Joseph Rubenfeld, Sol Schwartz, Reuben M. Siwek.

Divisions:

Sterling Instrument Division
New Hyde Park, New York 11040

Manufactures precision mechanical components, including precision gears, differentials, brakes, clutches, couplings, bearings and shafts.

Stock Drive Products Division
New Hyde Park, New York 11040

Manufactures and markets standard and designed-to-order small commercial-quality drive components.

Stock Model Parts Division
55 South Denton Avenue
New Hyde Park, New York 11040

Electro-mechanical training for schools as well as models for hobbyists.

Perfect Gear and Instrument Division
New Hyde Park, New York

Western Component Sales
9719 Mason Avenue
Chatsworth, California 91311

Subsidiaries:

Accusonic Systems Corporation

Manufactures speakers, headsets and microphones designed for use in severe environments, such as military, marine and avaiation applications.

United Products Company
1080 Garden State Road
Union, New Jersey 07083

Engaged in the manufacture of injection molded products for the electronic mechanical drive, medical packaging, and display industries.

Techno, Inc.
14 Crandall Ave.
Pompton Lakes, New Jersey 07442

Research and development of micro-computer controlled automation and robotics.

Designatronics Foreign Sales Corp. (FSC)
New Hyde Park, New York 11040

Engaged in export activities for incorporated divisions as well as the products produced by other U.S. manufacturers.

Automatic Coil Corp.
455 East 10th Avenue
Hialeah, Florida 33010

Manufacturer of custom designed inductive components.

Systems Control Ltd. (90% owned)
Middlesbrough, England

Manufacture of robots and robotic end effectors.

Automatic Accusonic Haiti, Corp. S.A.
Port-au-Prince, Haiti

Products manufactured include a complete line of IF-RF coils, toroids, baluns, bobbins and related windings in addition to specially engineered inductors, transformers, filters, discriminators, a wide range of electronic assemblies, and printed circuit board assemblies.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American, Pacific

Ticker Symbol: DSG

Sales and Earnings

	Net Sales	Net Income
1985	$ 19,667,577	$ 485,374
1984	18,691,227	1,113,656
1983	15,921,065	1,099,622
1982	14,528,114	948,750
1981	13,510,192	870,363

	No. of Com. Shares †	Earn. per Share #
1985	2,485,654	$ 0.19
1984	2,426,374	0.44
1983	2,256,433	0.48
1982	1,817,546	0.46
1981	1,797,643	0.44

† Adjusted to reflect stock dividends and stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1985	1984
Electronic	$ 5,328,800	$ 5,316,000
Electromechanical & mechanical	14,338,800	13,375,000
Total	$ 19,667,600	$ 18,691,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	5%	—
1984	—	5%	—
1983	—	10%	3-for-2
1982	—	10%	—
1981	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 10,096,855	$ 4.06
1984	9,486,216	3.91
1983	8,211,757	3.64
1982	4,200,030	2.31
1981	3,125,359	1.74

‡ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 19,667,577	$ 18,691,227
Cost of sales	13,256,972	12,037,882
Expenses	5,803,679	5,204,468
Other income	(133,017)	(187,157)
Interest expense	99,569	113,378
Income bef. taxes	$ 640,374	$ 1,522,656
Income taxes	155,000	409,000
Net Income	$ 485,374	$ 1,113,656

* Included in Costs and Expenses, Depreciation and Amortization: $638,797 in 1985 and $570,432 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 614,652	$ 310,124
Accts. receiv. net	3,097,802	3,235,373
*Inventories	6,008,387	5,256,581
Prepaid expenses	501,030	539,817
Current Assets	$ 10,221,871	$ 9,341,895
#Fixed assets	2,858,778	2,015,744
Other assets	586,012	404,723
Total Assets	$ 13,666,661	$ 11,762,362

Liabilities

Long-term debt, curr.	$ 118,904	$ 108,884
Accts. payable	654,834	556,006
Accruals	612,622	633,529
Other taxes	50,159	7,130
Curr. Liabilities	$ 1,436,519	$ 1,305,549
Long-term debt	1,487,328	617,682
Deferred comp.	268,000	220,000
Deferred inc. taxes	202,915	132,915
Other liab.	175,044	—
+ Common stock	102,934	95,827
Add. paid-in capital	7,697,627	7,019,181
Retained earnings	2,398,513	2,476,405
Treasury stock	(98,169)	(84,897)
Deferred value of restricted shares	(4,050)	(20,300)
Total Liabilities & Shareholders' Equity	$ 13,666,661	$ 11,762,362

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.04 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.26	8.15
%Net Income to Sales	2.47	5.96
%Net Income to Equity	4.81	11.74
Sales to Inventories	3.27	3.56
Debt to Equity	0.16	0.08
Working Capital	$ 8,785,352	$8,036,346
Current Ratio	7.12	7.16
Shareholders' Equity	$10,096,855	$9,486,216

DEST Corporation

1201 Cadillac Court
Milpitas, California 95035
(408) 946-7100

Officers: Richard E. Amen, chairman, president & chief exec. officer; J. Lee Cannon, v.p.-marketing; Richard D. Matthews, v.p.-engineering; Dale J. Ramsey, v.p.-manufacturing; P. Michele Rigg, v.p.-human resources; John H. Trollman, v.p.-finance; James C. Kitch, secretary.

Directors: Richard E. Amen, chairman of the board; D. Kirkwood Bowman, Chris A. Eyre, John G. Hill, F. Gibson Myers, Jr., Lloyd D. Ruth, Jr., Edward F. Tuck.

Areas of Work: Designs, manufactures and markets electronic document readers that scan typed or printed documents, convert their content to digital form, perform character recognition and communicate this information to the computer system, thereby eliminating the need to enter the information manually.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEST (NASDAQ)

Number of Employees:

1985 206

Plant Footage:

1985 . . . . . . 50,000 sq. ft.

Sales and Earnings

	Revenues	Net Income †
1985	$ 18,556,000	$ 2,616,000
1984	11,045,000	1,611,000
1983	4,086,000	(1,751,000)
1982	1,321,000	(3,118,000)
1981	1,049,000	(1,490,000)

	No. of Com. Shares ‡	Earn. per Share †‡
1985	5,696,000	$ 0.46
1984	5,502,000	0.29
1983	710,000	—
1982	554,000	—
1981	549,000	—

(Loss)
† Including extraordinary gains of $1,203,000 ($0.21 per share) in 1985 and $742,000 ($0.13 per share) in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 9,315,000	$ 1.64
1984	6,310,000	1.15
1983	4,452,000	6.27
1982	2,491,000	4.50
1981	2,116,000	3.85

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Mar. 31	1985	1984
Revenue	$ 18,556	$ 11,045
Cost of revenues	7,074	4,713
Expenses	8,883	4,704
Interest income	(515)	(346)
Interest expense	352	62
Othr expense (income)	(73)	187
Income before taxes	$ 2,835	$ 1,725
Income taxes	1,422	856
Net Income	$ 1,413	$ 869
Extraord. gain	1,203	742
Net Income & Extraord. Gain	$ 2,616	$ 1,611

* Included in Costs and Expenses, Depreciation and Amortization: $500,000 in 1985 and $185,000 in 1984.

Assets

As of Mar. 31	1985	1984
Cash & cash invest.	4,657	4,347
Accts. receiv., net	3,235	1,733
*Inventories	2,232	1,204
Prepaid expenses	578	120
Current Assets	$ 10,702	$ 7,404
#Fixed assets	7,117	890
Deferred license costs	327	394
Total Assets	$ 18,146	$ 8,688

Liabilities
(000's)

Notes payable	$ 1,000	$ —
Long-term debt, curr.	373	189
Accts. payable	1,196	730
Accrued payroll	559	265
Income taxes	—	114
Other accruals	416	337
Curr. Liabilities	$ 3,544	$ 1,635
Long-term debt	5,287	743
+ Common stock	14,751	13,479
Notes receiv. from stock sale	(1,260)	(377)
Accum. deficit	(4,176)	(6,792)
Total Liabilities & Shareholders' Equity	$ 18,146	$ 8,688

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.28	15.62
%Net Income to Sales	7.61	7.87
%Net Income to Equity	22.39	9.33
Sales to Inventories	8.31	9.17
Debt to Equity	1.06	0.10
Working Capital	$7,158,000	$5,769,000
Current Ratio	3.02	4.53
Shareholders' Equity	$6,310,000	$9,315,000

Detection Systems, Inc.

130 Perinton Parkway
Fairport, New York 14450
(716) 223-4060

Officers: Karl H. Kostusiak, president; David B. Lederer, exec. v.p., Frank J. Ryan, secrètary/treasurer; James R. Berube, v.p.-syst. engineering.

Directors: Karl H. Kostusiak, David B. Lederer, Wallace M. Juechter, Joseph LoBozzo, Edward C. McIrvine.

Areas of Work: Designs, manufactures, and markets electronic instrumentation and control equipment for the security and facility management industries. The Company's product line includes: electronic intrusion detectors, alarm control equipment, and microprocessor-based energy management equipment.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Lincoln First Tower
Rochester, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DETC (NASDAQ)

Number of Employees:

1985	173	1982	194
1984	154	1981	180
1983	220		

Detection Systems, Inc.

Plant Footage:

1985	84,000 sq. ft.	1983	84,000
1984	84,000		

Sales and Earnings

	Net Sales	Net Income
1986	$ 9,328,000	$ 2,000
1985	8,608,000	(908,000)
1984	9,329,000	(873,000)
1983	9,341,000	293,000
1982	11,012,000	1,270,000

	No. of Com. Shares †	Earn. per Share #
1986	1,894,181	$ —
1985	1,876,332	—
1984	1,870,707	—
1983	1,864,926	0.15
1982	1,848,386	0.68

(Loss)

† Adjusted to reflect stock split.

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1986	$ 6,941,249	$ 3.66
1985	6,899,913	3.68
1984	7,798,891	4.17
1983	8,588,622	4.61
1982	8,264,147	4.47

† Adjusted to reflect stock split.

Income Account *

Year ended March 31	1986	1985
Net sales	$ 9,328,361	$ 8,607,750
Cost of sales	6,708,902	7,255,919
Expenses	2,456,302	2,745,880
Interest income	(141,624)	(131,062)
Interest expense	300,929	357,991
Inc.(loss) bef. taxes	$ 3,852	$ (1,620,978)
Inc. taxes (credit)	1,500	(713,000)
Net Income (Loss)	$ 2,352	$ (907,978)

* Included in Costs and Expenses, Depreciation and Amortization: $578,312 in 1986 and $540,470 in 1985.

Assets

As of March 31	1986	1985
Cash	$ 23,852	$ 158,067
Short-term invest.	1,683,263	1,598,523
Accts. receiv., net	1,459,210	1,128,587
*Inventories	2,907,776	2,482,735
Inc. tax refund	—	350,900
Prepaid expenses	81,848	65,336
Current Assets	$ 6,155,949	$ 5,784,148
#Fixed assets	2,172,724	2,345,033
Prop. under cap. lease	3,541,106	3,568,051
Deferred debt issue	103,459	113,476
Land held for sale	238,747	238,747
Total Assets	$ 12,211,985	$ 12,049,455

Liabilities

Long-term debt, curr.	$ 316,655	$ 282,965
Accts. payable	463,043	243,589
Accruals	529,208	504,353
Curr. Liabilities	$ 1,308,906	$ 1,030,907
Convert. deben.	1,000,000	1,000,000
Oblig. under cap. leases	2,839,430	2,996,235
Deferred inc. taxes	122,400	122,400
† Common stock	94,807	93,914
Add. paid-in capital	5,297,027	5,258,936
Retained earnings	1,549,937	1,547,585
Treasury stock	(522)	(522)
Total Liabilities & Shareholders' Equity	$ 12,211,985	$ 12,049,455

* At lower of standard cost (FIFO) or market.

# Less accumulated depreciation.

† $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.04	—
%Net Income to Sales	0.03	—
%Net Income to Equity	0.03	—
Sales to Inventories	3.21	3.47
Debt to Equity	0.45	0.48
Working Capital	$4,847,043	$4,753,241
Current Ratio	4.70	5.61
Shareholders' Equity	$6,941,249	$6,899,913

The Dewey Electronics Corporation

27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700

Officers: Gordon C. Dewey, president; Frances Dommeleers, v.p.-administration; Mark L. Hyland, exec. v.p.; John J. Conlan, treasurer; John G. McQuaid, secretary.

Directors: Frances D. Dewey, Gordon C. Dewey, Peter Eustis, John G. McQuaid, Alexander A. Cameron, Jr., Millard F. West, Jr., James A. Newman.

Areas of Work: The Corporation develops and produces digital systems, nuclear [illegible], microwave, sonar, communications and special purpose equipment. The Pitometer Log division also manufactures ship speed and distance measuring instrumentation.

Subsidiary:

Pitometer Log Corporation
27 Muller Road
Oakland, New Jersey 07436
(201) 337-4700

Manufacturer of ship speed and distance measuring instrumentation.

HEDCO Division

Designs, manufactures and markets snowmaking machinery.

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DEWY (NASDAQ)

Number of Employees:

1985	125

Plant Footage:

1985	106,500 sq. ft.	1983	47,500
1984	106,500		

Sales and Earnings

	Revenues	Net Income †
1985	$ 13,108,447	$ (311,341)
1984	15,772,633	489,898
1983	9,255,575	650,436
1982	6,356,757	349,446
1981	4,637,576	(231,508)

	No. of Com. Shares +	Earn. per Share ‡†
1985	1,339,208	$ —
1984	1,339,208	0.37
1983	1,323,941	0.49
1982	1,307,333	0.26
1981	1,307,333	—

(Loss)

† Including extraordinary loss of $206,163 ($0.15 per share) in 1984.

+ Adjusted to reflect stock splits.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Electronic products	$ 11,412,000	$ 14,183,000
Snowmaking equipment	1,696,000	1,590,000
Total	$ 13,108,000	$ 15,773,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	3-for-2
1983	—	—	—
1982	—	—	3-for-2
1981	—	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 3,460,170	$ 2.58
1984	3,771,511	2.82
1983	3,271,356	2.47
1982	2,605,271	1.99
1981	2,255,825	1.73

+ Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Revenues	$ 13,108,447	$ 15,772,633
Cost of revenues	11,355,652	12,459,270
Expenses	1,680,763	1,735,487
Interest expense	542,843	244,032
Interest income	(13,154)	(16,717)
Inc. (loss) bef. taxes	$ (457,657)	$ 1,350,561
Income taxes (credit)	(146,316)	654,500
Net Income (Loss)	$ (311,341)	$ 696,061
Extraord. loss	—	(206,163)
Net Income (Loss) & extraord. loss	$ (311,341)	$ 489,898

* Included in Costs and Expenses, Depreciation and Amortization: $257,320 in 1985 and $193,527 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 33,910	$ 89,414
Accts. & notes receiv., net	1,329,743	1,399,498
Contract costs	5,447,181	4,281,640
*Inventories	1,960,744	1,529,587
Prepaid expenses & other assets	136,172	694,119
Current Assets	$ 8,907,750	$ 7,994,258
#Fixed assets	2,352,848	2,474,003
Intangibles	187,332	213,471
Total Assets	$ 11,447,930	$ 10,681,732

Liabilities

Mortg. note payable, curr.	$ 41,531	$ 37,969
Notes payable	300,000	—
Accts. payable	2,079,748	2,397,424
Accruals	240,942	291,657
Customer deposits	243,296	5,782
Income taxes	—	285
Deferred income taxes	1,199,457	1,325,888

Curr. Liabilities	$ 4,104,974	$ 4,059,065
Deferred income taxes	205,544	182,443
Mortg. note payable	3,677,242	2,668,773
+ Common stock	16,934	16,934
Add. paid-in capital	2,835,307	2,835,307
Retained earnings	1,128,611	1,439,952
Treasury stock	(520,682)	(520,682)
Total Liabilities & Shareholders' Equity	$ 11,447,930	$ 10,681,732

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	8.56
%Net Income to Revenues	—	4.41
%Net Income to Equity	—	18.46
Debt to Equity	1.16	0.72
Working Capital	$4,802,776	$3,935,253
Current Ratio	2.17	1.97
Shareholders' Equity	$3,460,170	$3,771,511

Dexon, inc.

4915 West 35th Street
Minneapolis, Minnesota 55416
(612) 927-5671

Officers: John H. Sandbo, chairman, president, treasurer & chief executive officer; Mary M. Smith, secretary; H. Dean Bettcher, v.p.-marketing.

Directors: John H. Sandbo, Clarence E. Westin, Joe Holt, D.J. Ekberg, David Croonquist.

Areas of Work: Engaged in the design and manufacture of ultra-clean air systems and wet process work stations and quartz tube cleaners which are used in the manufacture of integrated circuits.

Transfer Agent(s):

Norwest Bank St. Paul, N. A.
55 E. Fifth Street
St. Paul, Minnesota 55101

Stock Exchange(s): NASDAQ

Ticker Symbol: DEXO

Number of Employees:

1984	N.A.	1983	70

Plant Footage:

1984 . . . . . . 70,000 sq. ft.

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income
1984	$ 4,690,000	$ (66,000)
1983	3,526,000	26,000
1982	3,020,000	75,000
1981	3,233,000	156,000
1980	2,678,000	219,000

	No. of Com. Shares	Earn. per Share #
1984	653,175	$ —
1983	633,925	0.04
1982	623,125	0.12
1981	620,325	0.25
1980	607,325	0.35

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 1,189,000	$ 1.80
1983	1,196,000	1.89
1982	1,159,000	1.86
1981	1,048,000	1.67
1980	856,000	1.38

Income Account *

Year ended Mar. 31	1984	1983
Net sales	$ 4,689,917	$ 3,526,443
Cost of sales	3,274,161	2,323,443
Expenses	1,359,627	1,012,227
Interest expense	177,109	178,971
Other expense (income)	(21,768)	1,704
Income (loss) before taxes	$ (99,212)	$ 10,098
Tax credit	(33,000)	(16,400)
Net Income (Loss)	$ (66,212)	$ 26,498

* Included in Costs and Expenses, Depreciation and Amortization: $196,591 in 1984 and $176,366 in 1983.

Assets

As of Mar. 31	1984	1983
Cash & short-term invest.	$ 9,293	$ 203,003
Funds held by trustee	75,255	75,082
Accts. receiv., net	1,386,034	502,450
*Inventories	555,602	505,457
Refund inc. taxes	6,500	73,354
Other curr. assets	13,289	20,116
Current Assets	$ 2,045,973	$ 1,379,462
#Fixed assets	1,795,561	1,906,858
Other assets	34,219	—
Total Assets	$ 3,875,753	$ 3,286,320

Liabilities

Notes payable	$ 415,000	$ —
Long-term debt, curr	66,596	58,500
Accts. payable	266,167	172,885
Compen. & rel. taxes	256,432	121,729
Accrued interest	74,141	62,812
Other liab.	110,894	36,623
Curr. Liabilities	$ 1,189,230	$ 452,549
Long-term debt	1,404,951	1,519,222
Deferred inc. taxes	92,200	118,700
+ Common stock	326,588	316,963
Add. paid-in capital	429,351	379,241
Retained earnings	433,433	499,645
Total Liabilities & Shareholders' Equity	$ 3,875,753	$ 3,286,320

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.29
%Net Income to Sales	—	0.75
%Net Income to Equity	—	2.22
Sales to Inventories	8.44	6.98
Working Capital	$ 856,743	$ 926,913
Current Ratio	1.72	3.05
Shareholders' Equity	$1,189,372	$1,195,849

Diagnostic/Retrieval Systems, Inc.

16 Thornton Road
Oakland, New Jersey 07436
(201) 337-3800

Officers: Leonard Newman, chairman of the board, chief executive officer & secretary; David E. Gross, president & chief operating officer; Jackson Kemper, Jr., v.p.-Washington Operations; Mark S. Newman, v.p., chief financial officer & treasurer; Lewis F. Ozimek, v.p.-contracts; Jack R. Williams, v.p.-research and technology; David M. Orth, v.p.-business development; John C. Dale, v.p.-engineering; John V. Giordano, controller; Charles D. Pollak, sr. v.p.-business development; Francis A. Montenes, v.p.-operations.

Directors: Leonard Newman, chairman; David E. Gross, Theodore Cohn, Jack Rachleff, Konrad W. Schoebel, Harold Rapaport.

Areas of Work: The Company designs, develops, manufactures and markets special-purpose computer and display systems and high-density digital recording systems for use in antisubmarine warfare. These special-purpose computer systems perform acoustic signal processing to detect, classify and locate submarines. The acoustic signal processing includes spectrum analysis, digital filtering and display. The Company also produces digital recording systems for use in conjunction with its special purpose computers. The Company manufactures three antisubmarine warfare systems. These are the AN/SQR-17A and the Processor Unit 2 for the AN/SQR-18A, both sonar signal processing and display systems, and the high-density Digital Multiplexer Encoder/Decoder (DMED) recording system. The Company also manufactures display generators, scan converters and acoustic stimulation systems.

Divisions and Subsidiaries:

Diagnostic/Retrieval Systems of California, Inc.
17772 East 17th Street, Suite 208
Tustin, CA 92680

Precision Echo
3105 Patrick Henry Drive
Santa Clara, CA 95054

Designs and manufactures military-and-industrial-quality magnetic recording devices and compact ruggedized tape recorders, employed in antisubmarine warfare, reconnaissance systems and for intelligence purposes.

Diagnostic/Retrieval Systems, Inc.
Washington Operations
1215 S. Jefferson Davis Highway
Suite 1004
Arlington, Virginia 22202

Transfer Agent(s):

The Trust Company of New Jersey
35 Journal Square
Jersey City, New Jersey 07306

Stock Exchange(s): American

Ticker Symbol: DRS-A, DRS-B

Number of Employees:

1986	395	1983	240
1985	396	1982	211
1984	N.A.		

Sales and Earnings

	Revenues	Net Income +
1986	$ 36,979,000	$ 1,033,000
1985	33,435,000	1,257,000
1984	24,327,225	2,973,931
1983	20,943,777	2,652,860
1982	18,040,189	2,081,698

	No. of Com. Shares #	Earn. per Share +
1986	5,625,324	$ 0.18
1985	5,584,029	0.23
1984	5,131,869	0.58
1983	4,665,398	0.57
1982	4,442,400	0.47

+ Including extraordinary gain of $187,000 ($0.03 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	—	3-for-2
1983	—	—	2-for-1
1982	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 24,442,000	$ 4.34
1985	23,446,000	4.20

1984	20,161,331	3.93
1983	17,010,502	3.65
1982	7,455,676	1.68

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended Mar. 31	1986	1985
Revenues	$ 35,979,000	$ 33,435,000
Costs and expenses	35,075,000	31,382,000
Interest expense	2,334,000	2,298,000
Interest income	(2,023,000)	(2,428,000)
Income before taxes	$ 593,000	$ 2,183,000
Income taxes (credit)	(253,000)	926,000
Net Income	$ 846,000	$ 1,257,000
Extraord. gain	(187,000)	—
Net Income & extraord. gain	$ 1,033,000	$ 1,257,000

Assets

As of Mar. 31	1986	1985
Cash & cert. of dep.	$ 24,194,000	$ 27,885,000
Accts. receiv., net	14,763,000	11,002,000
*Inventories	7,134,000	5,566,000
Prepaid expenses	1,955,000	2,632,000
Current Assets	$ 48,046,000	$ 47,085,000
#Fixed assets	5,398,000	5,677,000
Intangibles	6,455,000	6,684,000
Other assets	2,049,000	2,224,000
Total Assets	$ 61,948,000	$ 61,670,000

Liabilities

Long-term debt, curr.	$ 66,000	$ 61,000
Accts. payable	5,433,000	5,309,000
Income taxes	6,298,000	7,135,000
Curr. Liabilities	$ 11,797,000	$ 12,505,000
Long-term debt	25,709,000	25,719,000
+Common stock	36,000	36,000
Add. paid-in capital	12,285,000	12,241,000
Retained earnings	12,464,000	11,434,000
Treasury stock	(297,000)	(249,000)
Unamort. restricted stock comp.	(66,000)	(16,000)
Total Liabilities & Shareholders' Equity	$ 61,948,000	$ 61,670,000

* At actual cost.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.5	6.53
%Net Income to Sales	2.35	3.76
%Net Income to Equity	3.46	5.36
Sales to Inventories	5.04	6.01
Debt to Equity	1.05	1.10
Working Capital	$36,249,000	$34,580,000
Current Ratio	4.07	3.77
Shareholders' Equity	$24,442,000	$23,446,000

Di-An Controls, Inc.

944 Dorchester Avenue
Boston, Massachusetts 02125
(617) 288-7700

Officers: Robert D. Kodis, president & treasurer; James B. Marcus, vice president, general counsel, asst. treasurer & clerk.

Directors: Robert D. Kodis, James B. Marcus, Peter Segel, Daniel Judge.

Areas of Work: Manufactures, sells, and services printer products, computer work stations, and the Movie Master System. These products are used for real-time on-line issuing of tickets, tags and labels in the fields of transportation, entertainment, sports, wagering, manufacturing, and financial exchanges.

Subsidiaries:

Di-An Service Corp.
Di-An Controls DISC Corporation

Transfer Agent(s):

American Transfer Company
99 Wall Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DICC (NASDAQ)

Plant Footage:

1985	72,000 sq. ft.	1982	72,000
1984	72,000	1981	72,000
1983	72,000		

Sales and Earnings

	Net Sales ‡	Net Income †
1985	$ 2,389,549	$ (630,398)
1984	4,159,662	210,855
1983	3,226,418	(73,747)
1982	2,953,377	(310,597)
1981	4,016,519	85,515

	No. of Com. Shares	Earn. per Share #†
1985	826,405	$ —
1984	826,405	0.26
1983	826,405	—
1982	826,405	—
1981	826,405	0.10

(Loss)
‡ Including service revenues.
† Including extraordinary credit of $67,230 ($0.08 per share) in 1984.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 661,127	$ 0.80
1984	1,291,525	1.56
1983	1,080,670	1.31
1982	1,154,417	1.40
1981	1,465,014	1.77

Income Account *

Year ended Dec. 31	1985	1984
Net sales & serv. revenues	$ 2,389,549	$ 4,159,662
Other income	49,249	89,588
Total Income	$ 2,438,798	$ 4,249,250
Cost of sales	2,286,369	3,213,697
Expenses	776,722	788,445
Interest expense	6,105	14,258
Inc. (loss) bef. taxes	$ (630,398)	$ 232,850
Income taxes	—	89,115
Net Income (Loss)	$ (630,398)	$ 143,735
Extraord. gain	—	67,230
Net Income (Loss) & extraord. gain	$ (630,398)	$ 210,855

* Included in Costs and Expenses, Depreciation: $26,630 in 1985 and $53,680 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 13,531	$ 10,330
Temp. cash invest.	—	521,343
Accts. receiv., net	419,821	265,123
*Inventories	723,739	1,029,163
Prepaid expenses	12,718	10,089
Current Assets	$ 1,169,809	$ 1,836,048
#Fixed assets	85,599	104,729
Other assets	16,798	18,016
Total Assets	$ 1,272,206	$ 1,958,793

Liabilities

Notes payable	$ —	$ 170,000
Long-term debt, curr.	20,169	18,531
Accts. payable	239,085	117,402
Accruals	213,024	172,961
Accrued payroll	71,003	83,800
Customer deposits	32,931	38,435
Inc. taxes	5,166	16,269
Curr. Liabilities	$ 581,378	$ 617,398
Long-term debt	29,701	49,870
+Common stock	82,641	82,641
Add. paid-in capital	1,124,451	1,124,451
Retained earnings (deficit)	(545,965)	84,433
Total Liabilities & Shareholders' Equity	$ 1,272,206	$ 1,958,793

* At lower of est. cost (FIFO) or net realizable value.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.60
%Net Income to Sales	—	3.46
%Net Income to Equity	—	11.13
Debt to Equity	0.08	0.18
Working Capital	$588,431	$1,218,650
Current Ratio	2.01	2.97
Shareholders' Equity	$661,127	$1,291,525

DICOMED Corporation

12000 Portland Avenue South
P.O. Box 246
Minneapolis, Minnesota 55440
(612) 885-3000

Officers: Wayne R. Huelskoetter, president & chief exec. officer; Lee Runzheimer, v.p. & chief financial officer; William J. Cosgriff, secretary; Gerald H. Baiel, v.p.-operations.

Directors: Frederick W. Lang, Frank C. Mullaney, George G. Walker, Jr., Wayne R. Huelskoetter, Willis K. Drake, Alan K. Ruvelson.

Areas of Work: Engaged in the development, design, production and marketing of digital image processing and computer graphics equipment, including image recorders, image display and image digitizer products.

Transfer Agent(s):

First Trust Company, Inc.
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DCOM (NASDAQ)

Number of Employees:

1985	200	1983	150
1984	250	1982	107

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 22,843,000	$ (1,742,000)
1984	27,617,000	2,344,000
1983	19,220,384	1,605,767
1982	10,658,091	974,376
1981	7,400,095	701,568

	No. of Com. Shares +	Earn. per Share #‡
1985	3,942,473	$ —
1984	3,902,596	0.60

1983	3,844,891	0.45
1982	3,028,585	0.32
1981	3,011,377	0.26

(Loss)
+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 22,376,000	$ 5.68
1984	23,892,000	6.12
1983	21,179,629	5.51
1982	10,923,907	3.61
1981	9,900,840	3.29

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Product sales	$ 16,610	$ 23,730
Services	5,727	3,174
Other	506	713
Total revenues	$ 22,843	$ 27,617
Cost of sales & services	13,374	13,541
Expenses	11,706	11,032
Interest income	(352)	1,020)
Interest expense	1,032	720
Non-recurr. charge	515	—
Inc. (loss) bef. taxes	$ (3,432)	$ 3,344
Income taxes (credit)	(1,690)	1,000
Net Income (Loss)	$ (1,742)	$ 2,344

* Included in Costs and Expenses, Depreciation and Amortization: $1,745,000 in 1985 and $932,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 5,337	$ 5,167
Acct. receiv., net	7,928	11,564
*Inventories	8,013	9,607
Prepaid expenses & deposits	129	163
Current Assets	$ 21,407	$ 26,501
#Fixed assets	12,357	238
Total Assets	$ 34,161	$ 38,232

Liabilities

Accts. payable	$ 751	$ 2,182
Accrued payroll	881	1,077
Real est. taxes	275	40
Other liabilities	394	135
Def. serv. rev.	637	77
Def. inc. taxes	1,176	2,866
Long-term debt, curr.	137	225
Curr. Liabilities	$ 4,251	$ 6,602
Long-term debt	7,534	7,738
+ Common stock	118	117
Add. paid-in capital	18,765	18,540
Retained earnings	3,493	5,235
Total Liabilities & Shareholders' Equity	$ 34,161	$ 38,232

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	14.09
%Net Income to Sales	—	9.88
%Net Income to Equity	—	9.81
Sales to Inventories	2.07	2.47
Debt to Equity	0.34	0.33
Working Capital	$17,156,000	$19,899,000
Current Ratio	5.04	4.01
Shareholders' Equity	$22,376,000	$23,892,000

Diebold, Incorporated

818 Mulberry Road S.E.
Canton, Ohio 44711
(216) 489-4000

Officers: Raymond Koontz, chairman of the board; Robert W. Mahoney, president & chief exec. officer; Harry E. Parr, Jr., sr. v.p.-finance and treasurer and chief adm. officer; Walter Crow, sr. v.p.-marketing; Robert Barone, sr. v.p.-sales; Louis V. Bockius, group v.p.-manufacturing; Robert M. Yopko, group v.p.-customer services; Michael J. Mokodean, v.p.-legal; Charles B. Scheurer, v.p.-employee relations; Harry O. Seitzinger, v.p., controller & asst. treasurer; Charee Francis-Vogelsang, v.p. & secretary; Raymond E. Shanabruch, asst. treasurer; Roy J. Villella, Jr., asst. secretary.

Directors: Louis V. Bockius, Daniel T. Carroll, Harry E. Parr, Jr., Donald R. Gant, Raymond Koontz, Frank D. Robinson, W.R. Timken, Robert W. Mahoney, William F. Massy, Charles J. Pilliod, Jr.

Areas of Work: Engaged in the manufacture, sale, installation and service of systems and equipment sold to financial institutions. The company's products include security systems which utilize video surveillance, drive-up installations, and automated teller machines and related software.

Divisions and Subsidiaries:

Security Products
Electronics Products
Software Development & Systems Services
Customer Services

Retail Terminal Systems, Inc.
Southborough, Massachusetts

Manufactures and markets an electronic cash register/payment terminal.

Transfer Agent(s):

Marine Midland Bank, N.A.
Corporate Trust Operations
140 Broadway, 12th floor
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: DBD

Number of Employees:

1985	5,229	1982	6,051
1984	5,505	1981	6,416
1983	5,824		

Plant Footage:

1985	1,645,220 sq. ft.	1982	1,819,280
1984	1,829,530	1981	1,715,280
1983	1,754,530		

Sales and Earnings

	Net Sales	Net Income
1985	$ 410,926,000	$ 30,392,000
1984	474,057,000	56,900,000
1983	445,917,000	49,142,000
1982	427,639,000	41,503,000
1981	385,891,000	29,036,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	13,116,000	$ 2.32
1984	13,082,000	4.35
1983	13,042,000	3.77
1982	12,973,000	3.20
1981	12,918,000	2.25

‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	3-for-2
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 300,129,000	$ 22.87
1984	281,703,000	21.51
1983	235,637,000	18.05
1982	195,017,000	14.99
1981	159,957,000	12.37

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 410,926,000	$ 474,057,000
Cost of sales	264,283,000	277,087,000
Expenses	109,444,000	102,659,000
Oper. profit	$ 37,199,000	$ 94,311,000
Other income	15,868,000	16,504,000
Total	$ 53,067,000	$ 110,815,000
Interest expense	909,000	1,129,000
Debt disc. & exp.	12,000	29,000
Other charges	2,397,000	1,662,000
Income before taxes	$ 49,749,000	$ 107,995,000
Income taxes	19,357,000	51,095,000
Net Income	$ 30,392,000	$ 56,900,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,416,000 in 1985 and $5,753,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 7,969,000	$ 11,067,000
Cert. of deposit	93,551,000	66,216,000
Notes receiv., other	2,424,000	741,000
Accts. receiv., net	91,438,000	117,280,000
*Inventories & contracts in process	62,844,000	59,153,000
Prepaid expenses	8,577,000	7,867,000
Current Assets	$ 266,803,000	$ 262,324,000
Investments	74,170,000	69,910,000
#Fixed assets	45,841,000	44,741,000
Intangibles	7,070,000	6,138,000
Total Assets	$ 393,884,000	$ 383,113,000

Liabilities

Long-term debt, curr.	$ 1,000,000	$ 2,610,000
Accts. payable	17,615,000	19,668,000
Deferred income taxes	11,766,000	17,901,000
Income taxes	3,845,000	1,767,000
Accruals	46,619,000	46,868,000
Curr. Liabilities	$ 80,845,000	$ 88,814,000
Long-term debt	8,000,000	9,000,000
Deferred inc. taxes	4,910,000	3,596,000
+ Common stock	28,508,000	27,682,000
Add. paid-in capital	58,054,000	58,054,000
Retained earnings	215,290,000	198,382,000
For. curr. trans. adj.	(1,108,000)	(1,800,000)
Treasury stock	(615,000)	(615,000)
Total Liabilities & Shareholders' Equity	$ 393,884,000	$ 383,113,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.11	22.78
%Net Income to Sales	7.40	12.00
Net Income to Equity	10.13	20.19

Sales to Inventories	6.54	8.01
Debt to Equity	0.03	0.04
Working Capital	$185,958,000	$173,510,000
Current Ratio	3.30	2.95
Shareholders' Equity	$300,129,000	$281,703,000

Digilog, Inc.

1370 Welsh Road
Montgomeryville, Pennsylvania 18936
(215) 628-4530

Officers: Ronald G. Moyer, chairman of the board & president; Thomas M. Emory, Jr., v.p.-technology & secretary; Robert F. Onraet, v.p.-finance; Mark R. Jolliffe, v.p.-manufacturing; Roy D. Gemberling, v.p. & gen. mgr.-Network Control Division.

Directors: Ronald G. Moyer, Thomas M. Emory, Jr., Peter Taraborelli, L. John Ankney, John Vensel, Hilliard W. Paige.

Areas of Work: Develops, manufactures and markets digital data communications test equipment and network management and control systems.

Divisions:

Network Control Division

Transfer Agent(s):

Mellon Bank
Four Mellon Plaza, 16th Floor
Philadelphia, Pennsylvania 19101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DILO (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 17,151,082	$ (455,280)
1984	13,430,461	(942,540)
1983	14,853,941	(1,030,516)
1982	14,753,995	393,560
1981	6,239,976	(413,888)

	No. of Com. Shares #	Earn. per Share #
1985	1,620,993	$ —
1984	1,608,776	—
1983	1,591,166	—
1982	1,569,839	0.25
1981	1,548,162	—

( ) (Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 4,679,025	$ 2.89
1984	5,250,380	3.26
1983	6,114,929	3.84
1982	6,764,477	4.31
1981	6,394,635	4.13

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 17,151,082	$ 13,430,461
Contract revenues	1,774,900	2,064,400
Total Income	$ 18,925,982	$ 15,494,861
Cost of sales	12,151,660	10,654,774
Selling expenses	3,667,645	3,317,984
Gen. & adm. expenses	1,008,945	1,456,489
Research & develop. costs	1,636,591	1,625,977
Other expense (income)	769,801	(241,301)
Loss before taxes	$ (299,660)	$ (1,319,062)
Tax credit	—	369,700
Loss - cont. oper.	$ (299,660)	$ (949,362)
Inc.(loss)-discont. oper.	(155,620)	6,822
Net Loss	$ (455,280)	$ (942,540)

* Included in Costs and Expenses, Depreciation and Amortization: $943,804 in 1985 and $711,728 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 55,167	$ 67,266
Short-term investments	624,567	1,528,045
Accts. receiv., net	3,749,602	3,325,036
Receiv.-sale of subsid.	535,004	—
*Inventories	5,583,618	5,613,967
Prepaid expenses	309,147	323,159
Prepaid income taxes	105,650	306,983
Current Assets	$ 8,962,755	$ 11,164,456
Investments	321,606	962,906
#Fixed assets	2,083,960	2,748,351
Other assets	90,907	34,237
Total Assets	$ 11,459,228	$ 14,909,950

Liabilities

Notes payable	$ —	$ 3,950,000
Long-term debt & cap. lease oblig., curr.	333,863	159,983
Accts. payable	1,081,289	1,751,521
Accruals	873,003	646,005
Contract revenue	856,500	2,088,000
Curr. Liabilities	$ 3,144,655	$ 8,595,509
Long-term debt	3,507,771	392,884
Def. inc. taxes	19,777	19,777
Def. contract revenue	—	543,400
Other liabilities	108,000	108,000
+Common stock	16,423	16,423
Add. paid-in capital	6,395,533	6,395,533
Warrants	150	150
Deficit	(1,557,020)	(1,101,740)
Loss of invest.	(116,075)	—
Treasury stock	(59,986)	(59,986)
Total Liabilities & Shareholders' Equity	$ 11,459,228	$ 14,909,950

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	3.07	2.39
Debt to Equity	0.82	0.86
Working Capital	$5,818,100	$2,568,947
Current Ratio	2.85	1.30
Shareholders' Equity	$4,679,025	$5,250,380

Digital Communications Associates, Inc.

1000 Alderman Drive
Alpharetta, Georgia 30201
(404) 442-4000

Officers: Bertil D. Nordin, president & chief exec. officer; William S. Barnes, exec. v.p.; Craig J. Huffaker, v.p., secretary & treasurer, John C. Bacon, Tom J. Fisher, James B. Lee, III, Andrew S. Miyakawa, Paul A. Rodwick, Robert J. Zack, v.p.'s.

Directors: Bruce K. Anderson, Frank A. Bonzal, Jr., W. Carlos O. Fox, John F. Glenn, W. Waverly Graham, III, Roger I. Hallock, Craig J. Huffaker, Bertil D. Nordin.

Areas of Work: Designs, manufactures and markets data communications equipment and systems that allow the transfer of data between terminals and computers or between personal computers and mainframes, whether in remote or local settings.

Subsidiaries:

DCA International, Inc.
Foreign Sales Corporation (FSC).

DCA Investment Corporation
Investment transactions.

Digital Communications Associates (Puerto Rico) Corp.
Manufacturing.

Transfer Agent(s):

The Citizens and Southern National Bank
Atlanta, Georgia

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DCAI (NASDAQ)

Plant Footage:

1985	177,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 83,717,000	$ 10,555,000
1984	51,054,000	6,701,000
1983	21,502,000	2,512,000
1982	14,167,000	712,000
1981	9,762,000	75,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	6,154,000	$ 1.71
1984	5,990,000	1.13
1983	5,050,000	0.50
1982	4,098,000	0.17
1981	3,165,000	0.02

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 53,518,000	$ 8.70
1984	42,610,000	7.11
1983	33,245,000	6.58
1982	5,586,000	1.36
1981	4,549,000	1.44

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 83,717,060	$ 51,053,559
Cost of sales	34,523,305	19,603,649
Expenses	33,585,520	22,510,598
Interest income	(1,764,011)	(2,512,164)
Income before taxes	$ 17,372,246	$ 11,451,476
Income taxes	6,817,000	4,750,000
Net Income	$ 10,555,246	$ 6,701,476

* Included in Costs and Expenses, Depreciation: $1,585,929 in 1985 and $982,247 in 1984.

Assets

As of June 30	1985	1984
Cash & short-term invest.	$ 20,550,135	$ 15,068,871
Accts. receiv., net	13,011,559	11,045,758
Note receiv. from affil.	1,500,000	—
Refundable taxes	734,511	909,868
*Inventories	11,579,026	13,522,958
Prepaid expenses	362,203	162,751
Current Assets	$ 47,737,434	$ 40,710,206
Investments	4,699,960	9,614,873
#Fixed assets	18,821,783	5,156,819
Invest. in affil.	1,123,006	711,286
Total Assets	$ 72,382,183	$ 56,193,184

Liabilities

Accts. payable	$ 5,653,064	$ 4,687,008
Accrued compens.	4,975,147	3,672,693

Income taxes	1,557,848	—
Deferred inc. taxes	1,480,085	2,717,982
Other accruals	3,197,802	1,504,626
Curr. Liabilities	$ 17,863,946	$ 12,582,309
Long-term debt	1,000,000	1,000,000
+ Common stock	592,162	583,003
Add. paid-in capital	31,782,910	31,428,807
Retained earnings	21,143,165	10,599,065
Total Liabilities & Shareholders' Equity	$ 72,382,183	$ 56,193,184

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.75	22.43
%Net Income to Sales	12.61	13.13
%Net Income to Equity	19.72	15.73
Sales to Inventories	7.23	3.78
Working Capital	$29,873,488	$28,127,897
Current Ratio	2.67	3.24
Shareholders' Equity	$53,518,237	$42,610,875

Digital Equipment Corporation

146 Main Street
Maynard, Massachusetts 01754
(617) 897-5111

Officers: Kenneth H. Olsen, president & director; James M. Osterhoff, v.p.-finance; George A. Chamberlain, III, v.p.-engineering and manufacturing finance; Henry J. Crouse, v.p.-manufacturing-Europe; James G. Cudmore, v.p. and group manager, Product Operations; William R. Demmer, v.p.-Mid-Range Systems Business Group; Pier-Carlo Falotti, v.p.-European Field Operations; William C. Hanson, v.p.-systems manufacturing; Winston R. Hindle, Jr., v.p.-corporate operations; William R. Johnson, Jr., v.p.-distributed systems; John J. Shields, v.p. & group manager, Sales, Services & International; Edward A. Kramer, v.p.-technical marketing; William J. Heffner, v.p.-software systems; Edward A. Kramer, v.p.-technical marketing; Jack MacKeen, v.p.-OEM/BCG Group; William D. Strecker, v.p.-engineering project strategy & architecture; Bruce J. Ryan, controller; Albert E. Mullin, Jr., v.p.-corp. relations; Jean-Claude Peterschmitt, v.p.-Europe; Richard Poulsen, v.p.-field service; F. Grant Saviers, v.p.-storage systems; Edward A. Schwartz, v.p., general counsel & secretary; Joel Schwartz, v.p.-educational marketing; Godfrey S. Shingles, v.p., managing director, United Kingdom Region; John F. Smith, v.p.-manufacturing and engineering; William G. Weitmore, v.p.-general international area; John L. Alexanderson, v.p.-Peripherals and Supplies Group; Don K. Busiek, v.p.-corporate software services; Samuel H. Fuller, v.p.-research and architecture; David W. Grainger, v.p. & area mgr.-Western and Central States; Rose Ann Giordano, v.p.-large systems marketing; Robert Hughes, v.p.-business and office systems marketing; Jeffrey C. Kalb, v.p., group manager, Low-End Systems & Technologies; Charles E. Shue, v.p. & area mgr.-Northeast States; Peter J. Smith, v.p.-computer-aided engineering and manufacturing; Harvey L. Weiss, v.p. & area mgr.-Mid-Atlantic & Southern States; Richard H. Yen, v.p.-Far East engineering and manufacturing; Ilene B. Jacobs, treasurer.

Directors: Vernon R. Alden, Arnaud de Vitry, Kenneth H. Olsen, Dorothy E. Rowe, William H. McLean, Georges F. Doriot, Philip Caldwell.

Areas of Work: Designs, manufactures, sells and services computers and associated peripheral equipment, and related software and supplies. The Company's products are used world-wide in a variety of applications and programs; including scientific research and computation, communications, education, data analysis, industrial control systems, time sharing systems, commercial data processing systems, word processing, personal computing, health care, instrumentation, engineering and simulation.

Subsidiaries:

Digital Equipment, S.A. de C.V.
Apartado Postal 12-1009
Mexico 12, D.F.

Digital Equipment Corporation Oy
Soukantie 14
SF-02360 Sourra, Finland

Digital Equipment Comercio e Industria, Ltda.
Avenida Augusto Severo, 156-B
Lapa ZC06
20,000 Rio de Janeiro-Guanabara
Brazil

Computer Insurance Company Limited
Old Colony Insurance Ltd.
Reid House, P.O. Box 1826
Hamilton, 5-24 Bermuda

Digital Computer Hong Kong Limited
71 Catchick Street
13th floor, Green Island House
Kennedy Town, Hong Kong

Digital Computer Taiwan Limited
Taiwan, Republic of China

Digital Equipment Ireland Limited
Republic of Ireland

Digital Equipment Scotland Limited
Shiel House, Craigshill
G-B Livingston, West Lothian
Scotland

Digital Equipment B.V.
Digital Equipment International B.V.
KAAP Horndreef 38
P.O. Box 9064
Utrecht, Holland

Digital Equipment N.V.S.A.
108 Rue D'Arlon
B-1040 Bruxelles, Belgium

Digital Incorporated
Digital International Sales Corporation
DEC Ltd.
7 Habikuk Street
Tel Aviv, Israel

Digital Equipment Corporation International (Europe)
12, avenue des Mogines
Case Postale 510
1213 Petit-Lancy 1, Geneva
Switzerland

Digital Equipment Corp. A/S
Tonheimsveien 47
N-Oslo 5, Norway

Digital Equipment Corporation Ges. m.b.H.
Mariahilferstrasse 136
A-1150 Wien 15, Austria

Digital Equipment New Zealand, Limited
Suite 18, Hilton House
430 Queen Street
P.O. Box 2471
Auckland, New Zealand

Digital Equipment Taiwan Limited
13-2 Nan Hsin Li, Tachi
Taoyuan, Taiwan
Republic of China

Digital Equipment Corporation ApS
Hellerupvej 66
DK-2900 Helleup, Denmark

Digital Equipment of Canada Ltd.
100 Herzberg Road
Kanata, Ontario, Canada
(613) 592-5111

Digital Equipment International GmBH
Digital Equipment GmBH
D-8000 Munich 40
Wallensteinplatz 2, West Germany

Digital Equipment Australia Pty. Ltd.
123-125 Willoughby Road
P.O. Box 491-Crows Nest
New South Wales 2065, Australia

Digial Equipment Co. Limited
Fountain House, Butts Centre
Reading Berkshire RG 17 QN
United Kingdom

Digital Equipment France S.A.R.L.
2 Place Gustave Eiffel
Cidex L225
18, Rue Saarinen
94 533 Rungis, France

Digital Equipment AB
Englundsvaagen 7
S-17141 Solna, Sweden

Digital Equipment Corporation de Puerto Rico
P.O. Box 106
San German, Puerto Rico 00753
(809) 892-1946

Digital Equipment S.p.A.
Corso Garibaldi 49
I-20121 Milano, Italy

Digital Equipment Corp. S.A.
20, Quai Ernest Ansermet
Boite Postale 23
CH-1211 Geneva 8, Switzerland

Digital Equipment Corporation International
Maynard, Massachusetts

Digital Equipment Panama, Inc.
Digital Equipment Trinidad, Inc.
Digital Equipment Services, Inc.
Digital Growth, Inc.
Digital Realty Limited
Digital Equipment Singapore (PTE) Limited

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Boston*, Philadelphia*, Midwest*, Pacific, Cincinnati*

* Unlisted trading privileges.

Ticker Symbol: DEC

Number of Employees:

1985	89,000	1982	67,300
1984	86,000	1981	63,000
1983	73,000		

Plant Footage:

1985	29,300,000 sq.ft.	1982	21,000,000
1984	N.A	1981	17,000,000
1983	23,000,000		

N.A.-Not available

Sales and Earnings

	Net Sales # (000's)	Net Income (000's)
1985	$ 6,686,316	$ 446,682
1984	5,584,426	328,779
1983	4,271,854	283,622
1982	3,880,771	417,155
1981	3,198,099	343,297

	No. of Com. Shares ‡	Earn. per Share ‡
1985	62,100	$ 7.42
1984	57,400	5.73
1983	56,700	5.00
1982	55,400	7.53
1981	52,600	6.70

Includes services and other revenues.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 4,554,599	$ 76.87
1984	3,979,216	69.32
1983	3,541,282	62.46
1982	3,164,464	57.30
1981	2,679,689	49.31

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	6/29/85	6/30/84
Net sales	$ 4,534,165	$ 3,831,073
Other income	2,152,151	1,753,353
Total revenues	$ 6,686,316	$ 5,584,426
Cost of sales	4,087,475	3,379,632
Expenses	2,149,042	1,810,225
Interest expense	82,003	35,096
Interest income	(63,026)	(41,477)
Income before taxes	$ 430,822	$ 400,950
Income taxes (credit)	(15,860)	72,171
Net Income	$ 446,682	$ 328,779

* Included in Costs and Expenses, Depreciation: $315,075,000 in 1985 and $252,631,000 in 1984.

Assets
(000's)

As of	6/29/85	6/30/84
Cash & temp. cash invest.	$ 1,080,180	$ 476,150
Accts. receiv., net	1,538,955	1,527,257
*Inventories	1,756,167	1,852,168
Prepaid expenses	64,569	57,030
Deferred taxes	197,957	169,308
Current Assets	$ 4,637,828	$ 4,081,913
#Fixed assets	1,731,029	1,511,340
Total Assets	$ 6,368,857	$ 5,593,253

Liabilities
(000's)

Loans payable	$ 12,251	$ 13,181
Long-term debt, curr.	1,411	1,374
Accts. payable	185,202	278,111
Accrued payroll	165,933	224,036
Def. rev. & adv.	160,105	126,454
Income taxes	267,900	312,871
Other liabilities	150,807	124,517
Curr. Liabilities	$ 943,609	$ 1,080,544
Long-term debt	836,945	441,313
Deferred inc. taxes	33,704	92,180
+Common stock	59,253	57,811
Add. paid-in capital	1,737,834	1,610,575
Retained earnings	2,757,512	2,310,830
Total Liabilities & Shareholders' Equity	$ 6,368,857	$ 5,593,253

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	6.44	7.18
%Net Income to Revenues	6.68	5.89
%Net Income to Equity	9.81	8.26
Debt to Equity	0.18	0.11
Working Capital	$3,694,219,000	$3,001,369,000
Current Ratio	4.91	3.78
Shareholders' Equity	$4,554,599,000	$3,979,216,000

Diodes Incorporated

9957 Canoga Avenue
Chatsworth, California 91311
(818) 998-4445

Officers: W. Lloyd, president, treasurer & chairman of the board; C.A. Benak, vice president & secretary; A.F. Ottobre, David Lloyd, v.p.'s

Directors: Wilbert Lloyd, chairman; C.A. Benak, Gerhard J. Borner, A.F. Ottobre, Ted G. Slate, T.H. Lee, Y.T. Wang, David Lloyd.

Areas of Work: Purchases, tests, and sells electronic semiconductor devices, including silicon rectifiers and rectifier assemblies.

Divisions and Subsidiaries:

Diodes Limited
16, The Broadway
Newbury, Berkshire, England

Atlantic Semiconductor Company
Diodes Sales Company
Nanticoke Semiconductor Company
Power Components Company
Rectifiers Company
Windsor Semiconductor Company

Transfer Agent(s):

Continental Stock Transfer
& Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: DIO

Number of Employees:

1984 . . . . . . N.A. 1983 30

Plant Footage:

1984 . . . . . . N.A. 1983 . . . . . .21,500 sq. ft.

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1984	$ 10,688,261	$ 1,276,709
1983	6,600,105	810,122
1982	6,158,620	(433,880)
1981	5,216,070	(47,572)
1980	4,829,890	(525,653)

	No. of Com. Shares	Earn. per Share + ‡
1984	1,854,076	$ 0.61
1983	1,846,076	0.44
1982	1,846,076	—
1981	1,846,076	—
1980	1,846,076	—

(Loss)
‡ Including extraordinary gains of $391,138 ($0.19 per share) in 1984 and $342,649 ($0.19 per share) in 1983.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 3,530,293	$ 1.90
1983	2,242,729	1.21
1982	1,430,512	0.77
1981	1,865,565	1.01
1980	1,913,137	1.04

Income Account *

Year ended April 30	1984	1983
Net sales	$ 10,688,261	$ 6,600,105
Cost of sales	7,207,968	4,723,811
Expenses	1,917,555	1,295,788
Interest expense	3,682	66,282
Interest income	(85,027)	(34,080)
Gain on sale of property	—	(468,463)
Other expense	94,654	130,381
Income before taxes	$ 1,549,429	$ 886,386
Income taxes	663,858	418,913
Net Income	$ 885,571	$ 467,473
Extraordinary gain	391,138	342,649
Net Income & extraord. gain	$ 1,276,709	$ 810,122

*Included in Costs and Expenses, Depreciation and Amortization: $24,167 in 1984 and $21,894 in 1983.

Assets

As of April 30	1984	1983
Cash	$ 1,553,356	$ 352,937
Invest. in KDI Corp.	—	218,520
Accts. receiv., net	1,832,538	1,256,337
*Inventories	2,281,625	1,581,167
Prepaid expenses	9,240	11,406
Deferred income taxes	21,591	—
Current Assets	$ 5,698,350	$ 3,420,367
#Fixed assets	123,074	104,594
Other assets	59,311	39,314
Receiv. from off. & emp.	—	107,699
Non-operating assets	150,000	250,000
Total Assets	$ 6,030,735	$ 3,921,974

Liabilities

Accts. payable	$ 2,088,579	$ 1,462,138
Accruals	205,622	152,932
Income taxes	206,241	39,202
Curr. Liabilities	$ 2,500,442	$ 1,654,272
Notes payable	—	24,973
+Common stock	1,288,018	1,282,685
Add. paid-in capital	279,838	272,172
Retained earnings	2,129,832	853,123
Eq. adjust. from for. curr. trans.	(1,222)	922
Treasury stock	(166,173)	(166,173)
Total Liabilities & Shareholders' Equity	$ 6,030,735	$ 3,921,974

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.66⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	14.50	13.43
%Net Income to Sales	8.29	7.08
%Net Income to Equity	25.08	20.84
Sales to Inventories	4.68	4.17
Working Capital	$3,197,908	$1,766,095
Current Ratio	2.28	2.07
Shareholders' Equity	$3,530,293	$2,242,729

Dionics, Inc.

65 Rushmore Street
Westbury, New York 11590
(516) 997-7474

Officers: Bernard L. Kravitz, president; Sherman Gross, v.p., secretary & treasurer.

Directors: Bernard L. Kravitz, Sherman Gross, Sidney M. Gross, Solomon Berkowitz.

Areas of Work: Engaged in the development, manufacture and marketing of high-voltage integrated circuits used for driving gas discharge digital displays.

Subsidiary:

Dionics International, Inc. (DISC)
Manufactures discrete and integrated circuit electronic components, in chip or packaged form.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985 60

Plant Footage:

1985 . . . . . . 20,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income #
1984	$ 3,343,100	$ 569,000
1983	2,509,500	162,100

1982	1,921,800	(214,000)
1981	3,395,100	452,800
1980	2,204,200	(201,600)

	No. of Com. Shares +	Earn. per Share # +
1984	1,718,736	$ 0.33
1983	1,712,684	0.09
1982	1,606,642	—
1981	1,774,780	0.26
1980	1,484,250	—

(Loss)

# Including extraordinary gains of $86,000 ($0.05 per share) in 1984, $61,000 ($0.03 per share) in 1983 and $203,200 ($0.12 per share) in 1981.

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	—
1981	—	—	5-for-4
1980	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1984	$ 1,451,000	$ 0.84
1983	864,300	0.50
1982	608,100	0.38
1981	1,061,500	0.60
1980	549,600	0.37

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 3,343,100	$ 2,509,600
Cost of sales	2,006,400	1,762,600
Expenses	695,200	551,900
Doubtful accts.	4,100	700
Interest expense	51,900	64,100
Other income	(63,500)	(31,800)
Income before taxes	$ 649,000	$ 162,100
Income taxes	166,000	61,000
Net Income	$ 483,000	$ 101,100
Extraord. gain	86,000	61,000
Net Income & extraord. gain	$ 569,000	$ 162,100

* Included in Costs, and Expenses, Depreciation: $98,800 in 1984 and $98,900 in 1983.

Assets

As of Dec. 31	1984	1983
Cash	$ 776,500	$ 379,100
Accts. receiv., net	446,700	355,600
*Inventories	328,000	301,000
Other curr. assets	16,900	34,000
Current Assets	$ 1,568,100	$ 1,069,700
#Fixed assets	593,100	461,400
Deposits & other assets	25,100	10,600
Total Assets	$ 2,186,300	$ 1,541,700

Liabilities

Accts. payable & accruals	$ 303,900	$ 215,400
Long-term debt, curr.	107,300	110,500
Income taxes payable	80,000	—
Curr. Liabilities	$ 491,200	$ 325,900
Long-term debt	244,100	351,500
+ Common stock	17,500	17,300
Add. paid-in capital	1,446,800	1,416,900
Retained earnings (deficit)	217,500	(351,500)
Treasury stock	230,800	(218,400)
Total Liabilities & Shareholders' Equity	$ 2,186,300	$ 1,541,700

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.41	6.46
%Net Income to Sales	14.45	4.03
%Net Income to Equity	33.29	11.70
Sales to Inventories	10.19	8.34
Debt to Equity	0.24	0.53
Working Capital	$1,076,900	$743,800
Current Ratio	3.19	3.28
Shareholders' Equity	$1,451,000	$864,300

Dranetz Technologies, Inc.

(formerly Dranetz Engineering Laboratories, Inc.)

1000 New Durham Road
Edison, New Jersey 08818
(201) 287-3680

Officers: Abraham I. Dranetz, chairman of the board & president; Irving Backinoff, sr. v.p.; Ezra Mintz, Anthony W. Orlacchio, Robert O. Wilson, David Fuhrman, Boselaw C. Biega, Joseph Martins, vice presidents; Benjamin Weiner, secretary; Joseph P. Lowrey, treasurer; Richard Dite, controller.

Directors: Abraham I. Dranetz, chairman; Irving Backinoff, Marianna Dranetz, Ezra Mintz, Benjamin Weiner, George S. Kariotis.

Areas of Work: Engaged in the conception, design, development, manufacture and marketing of precision electronic instrumentation for use in a variety of commercial, industrial, and governmental applications. Specific product areas include test equipment for phase angle measurement, test instrumentation for electric utilities, and power line monitoring equipment for data processing, communications, etc.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reader
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRAN (NASDAQ)

Number of Employees:

1985	250	1982	216
1984	250	1981	214
1983	234		

Plant Footage:

1985	75,000 sq. ft.	1982	60,000
1984	75,000	1981	75,000
1983	75,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 25,973,110	$ 3,635,565
1984	26,890,751	4,683,641
1983	24,827,176	3,636,220
1982	18,577,216	2,140,923
1981	16,408,160	1,943,105

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,736,000	$ 0.77
1984	4,698,300	1.00
1983	4,677,699	0.78
1982	4,660,902	0.46
1981	4,642,744	0.42

+ Includes other income.

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.15	—	—
1983	0.05	50%	—
1982	0.03	50%	—
1981	0.03	—	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 20,449,878	$ 4.32
1984	17,687,618	3.76
1983	13,629,320	2.91
1982	10,116,432	2.17
1981	8,120,875	1.75

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 25,973,110	$ 26,890,751
Other income	1,330,923	1,131,469
Total income	$ 27,304,033	$ 28,022,220
Cost of sales	12,478,957	12,851,807
Expenses	8,423,022	7,620,379
Income before taxes	$ 6,402,054	$ 7,550,034
Income taxes	2,766,489	2,866,393
Net Income	$ 3,635,565	$ 4,683,641

* Included in Costs and Expenses, Depreciation and Amortization: $301,014 in 1985 and $256,408 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 752,233	$ 909,900
Marketable securities	10,926,738	9,395,504
Accts. receiv., net	4,116,492	3,802,029
*Inventories	5,330,833	4,781,333
Prepaid expenses	46,329	45,166
Current Assets	$ 21,172,625	$ 18,933,932
#Fixed assets	1,288,002	835,053
Other assets	693,535	441,793
Total Assets	$ 23,154,162	$ 20,210,778

Liabilities

Accts. payable	$ 562,658	$ 778,659
Accruals	1,056,733	882,595
Accrued inc. taxes	528,972	328,607
Dividends payable	235,921	235,299
Curr. Liabilities	$ 2,384,284	$ 2,225,160
Deferred inc. taxes	320,000	298,000
+ Common stock	471,841	470,751
Add. paid-in capital	901,730	833,963
Retained earnings	19,076,307	16,382,904
Total Liabilities & Shareholders' Equity	$ 23,154,162	$ 20,210,778

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	24.65	28.08
%Net Income to Sales	14.00	17.42
%Net Income to Equity	17.78	26.48
Sales to Inventories	4.87	5.62
Working Capital	$18,788,341	$16,708,772

Current Ratio	8.88	8.51
Shareholders' Equity	$20,449,878	$17,687,618

Drexler Technology Corporation

2557 Charleston Road
Mountain View, California 94043
(415) 969-7277

Officers: Jerome Drexler, chairman of the board & president; Michael D. Craighead, v.p.-finance & administration, treasurer & asst. secretary; Charles W. Keller, Richard M. Haddock, v.p.'s.

Directors: Jerome Drexler, chairman; Arthur H. Hausman, Eugene Kleiner, William E. McKenna, Michael D. Craighead, Lesie L. Vadasz.

Areas of Work: Supplies microimaging products and services to semiconductor, computer, and electronics industries. Products include photoplates, photomasks, photochemicals, and related equipment for integrated circuit manufacture; and optical memory discs for laser recording and archival data storage and high-density data storage materials for computer optical memories.

Subsidiaries:

Microfab Systems Corporation
3960 Fabian Way
Palo Alto, California 94303
(415) 965-1750

Precision Photoglass, Inc.
2557 Charleston Road
Mountain View, California 94043
(415) 961-0700

Transfer Agent(s):

Crocker National Bank
P.O. Box 38005
Rincon Annex
San Francisco, California 94138

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRXR (NASDAQ)

Number of Employees:

1986	201	1983	N.A.
1985	183	1982	174
1984	204		

Plant Footage:

1986	120,000 sq. ft.	1983	N.A.
1985	111,400	1982	86,000
1984	136,000		

N.A.- Not Available

Sales and Earnings

	Net Sales	Net Income
1986	$ 13,748,000	$ (3,375,000)
1985	17,671,000	160,000
1984	17,045,000	728,000
1983	13,438,000	1,571,000
1982	13,795,000	1,535,000

	No. of Com. Shares #	Earn. per Share #
1986	6,370,000	$ —
1985	6,294,000	0.03
1984	6,363,000	0.11
1983	6,207,000	0.25
1982	6,168,000	0.25

(Loss)
Based on the weighted average number of shares outstanding during the year adjusted to reflect stock splits.

Revenues By Line of Business

	1986	1985	1984	1983
Semiconductor related	73%	81%	87%	92%
Optical data storage	27	19	13	8
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	3-for-2
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1986	$ 23,396,000	$ 3.67
1985	26,236,000	4.17
1984	25,670,000	4.03
1983	24,246,000	3.91
1982	22,329,000	3.62

Based on the weighted average number of shares outstanding during the year adjusted to reflect stock splits.

Income Account *

Year ended	3/28/86	3/29/85
Revenues:		
Prod. sales	$ 10,332,000	$ 14,471,000
License fees	3,416,000	3,200,000
Total revenues	$ 13,758,000	$ 17,671,000
Cost of revenues	9,902,000	12,065,000
Expenses	9,188,000	7,082,000
Interest income	(697,000)	(1,279,000)
Interest expense	55,000	—
Loss before taxes	$ (4,700,000)	$ (197,000)
Tax credit	(1,325,000)	(357,000)
Net Income (Loss)	$ (3,375,000)	$ 160,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,381,000 in 1986 and $1,952,000 in 1985.

Assets

As of	3/28/86	3/29/85
Cash	$ 8,994,000	$ 11,651,000
Restricted cash	684,000	—
Accts. receiv., net	2,546,000	1,855,000
*Inventories	1,492,000	1,486,000
Other curr. assets	163,000	390,000
Def. tax benefits	45,000	774,000
Current Assets	$ 13,924,000	$ 16,156,000
#Fixed assets	16,941,000	13,446,000
Other assets	572,000	444,000
Restricted cash	936,000	—
Total Assets	$ 32,373,000	$ 30,046,000

Liabilities

Long-term oblig., curr.	$ 1,031,000	$ —
Accts. payable	1,207,000	1,440,000
Accrued payroll	570,000	507,000
Accruals	486,000	296,000
Deferred revenue	184,000	—
Current Liabilities	$ 3,478,000	$ 2,243,000
Deferred inc. taxes	—	1,567,000
Long-term oblig.	5,499,000	—
+ Common stock	18,245,000	17,271,000
Retained earnings	5,590,000	8,965,000
Note receiv.	(439,000)	—
Total Liabilities & Shareholders' Equity	$ 32,373,000	$ 30,046,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Revenues	—	0.91
%Net Income to Equity	—	0.61
Working Capital	$10,446,000	$13,913,000
Current Ratio	4.00	7.20
Shareholders' Equity	$23,396,000	$26,236,000

Ducommun Incorporated

611 West Sixth Street, Suite 2500
Los Angeles, California 90017
(213) 612-4200

Officers: Wallace W. Booth, chairman of the board & chief executive officer; W. Donald Bell, president & chief operating officer, Robert A.K. Welch, v.p.-human resources; H. Richard Byrne, sr. v.p.-finance & chief financial officer; Frederick N. Bailard, sr. v.p., corporate affairs, secretary & general counsel; Michael L. Laney, controller; H. Cannon Mathews, treasurer.

Directors: Wallace W. Booth*, Alan N. Ducommun*, Robert C. Ducommun*, Edmond G. Ducommun*, Charles W. Missler, Dale D. Myers, Richard J. Pearson, Frederick N. Baylard*, H. Richard Byrne*, Norman Barker, Jr., Arthur W. Schmutz, W. Donald Bell, H. Frederick Christie.

* Member of the Executive Committee.

Areas of Work: The Electronics Group sells electronic products and services, and computer systems, terminals, printers and data communication equipment to industrial and commercial users. The Aerospace Services Group provides manufacturing, chemical milling and other services to the aircraft and aerospace industries.

Divisions and Subsidiaries:

Electronics Group

Kierulff Electronics
2585 Commerce Way
Los Angeles, California 90040
(213) 725-0325

Engaged in the distribution of semi-conductors, tubes, resistors, capacitors, potentiometers, transformers, relays, switches, micro-circuits, electronic testing equipment and electronic production supplies; repair and calibration of electric and electronic instruments; manufacture of special and custom shunts, transformers toroids.

MTI Systems

Distributes computer systems terminals, printers and data communications equipment.

Ducommun Data Systems

Distributes computer systems, peripherals and software.

Metermaster
5646 Jillson Street
Los Angeles, California 90040
(213) 685-4340

Calibrates and sells instruments and test equipment to specifications.

Aerospace Services Group

Airdrome Parts Company
3251 Airport Way
Long Beach, California 90806
(213) 426-9411

Manufactures and distributes precision hydraulic fittings and seals for use in commercial and military aircraft, ground support equipment and space programs.

Aerochem, Inc.
1885 N. Batavia Street
Orange, California 92667
(714) 637-4401

Specialist in the field of large scale, close tolerance chemical processes for the aerospace and military/commercial aircraft industries. Chemical milling processes are used to reduce the weight of structural components while maintaining the strength.

AHF-Ducommun
Gardena, California

Uses stretch forming, thermal forming and computer-controlled machining to design and engineer aircraft and aerospace components.

Jay-El Products Inc.
Gardena, California
Manufactures illuminated switches, switch assemblies and keyboard panels.

Acquisition(s):

Tri-Tec Engineering
Designs and manufactures molded interconnect devices used in data processing, business communicatons and industrial automation applications.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 30376
Los Angeles, California 90030

Stock Exchange(s): American, Pacific

Ticker Symbol: DCO

Sales and Earnings

	Net Sales #	Net Income
1985	$ 417,034,000	$ (19,685,000)
1984	441,608,000	11,060,000
1983	296,306,000	(1,717,000)
1982	207,507,000	3,010,000
1981	171,689,000	9,105,000

	No. of Com. Shares	Earn. per Share ‡
1985	3,351,479	$ —
1984	3,282,461	3.38
1983	3,250,525	—
1982	2,196,261	1.39
1981	2,145,935	4.24

(Loss)
# Of continuing operations only.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electronics distrib.	$ 347,505	$ 382,548
Aerospace distr.	69,529	59,060
Total	$ 417,034	$ 441,608

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.800	—	—
1984	0.800	—	—
1983	0.725	—	—
1982	0.070	—	—
1981	0.070	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 73,250,000	$ 21.86
1984	94,825,000	28.89
1983	85,803,000	26.40
1982	53,825,000	24.51
1981	51,861,000	24.17

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 417,034	$ 441,608
Cost of sales	316,205	327,292
Expenses	99,015	85,406
Interest exp.	8,564	8,288
Inc. (loss) bef. taxes	$ (6,750)	$ 20,622
Income taxes (credit)	(3,487)	9,604
Inc.(loss) -cont. oper.	$ (3,263)	$ 11,018
Inc. (loss) - discont. oper.	(16,422)	42
Net Income (Loss)	$ (19,685)	$ 11,060

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 4,843	$ 3,630
Trade receiv., net	72,192	72,738
*Inventories	97,993	125,321
Notes & other receiv.	6,367	3,627
Def. inc. tax benefits	3,290	—
Other assets	3,119	1,552
Current Assets	$ 187,804	$ 206,868
Long-term notes receiv.	777	25,320
#Fixed assets	47,600	40,756
Intangibles	9,695	9,969
Other assets	4,339	1,730
Assets of discont. oper.	17,393	—
Total Assets	$ 267,608	$ 284,643

Liabilities
(000's)

	1985	1984
Notes payable	$ 10,000	$ 20,000
Long-term debt, curr.	422	929
Accts. payable & accruals	56,028	43,104
Dividends payable	683	666
Deferred income taxes	—	4,855
Curr. Liabilities	$ 67,133	$ 69,554
Long-term debt	112,741	115,186
Deferred inc. taxes	4,224	4,698
Deferred credits	260	380
Convert. subord. notes	10,000	—
+Common stock	6,929	6,791
Add. paid-in capital	45,531	43,696
Retained earnings	23,686	45,966
Restricted stock awards	(2,896)	(1,628)
Total Liabilities & Shareholders' Equity	$ 267,608	$ 284,643

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation and amortization.
+ $2 par value.

Statistical Summary

%Net Income to Equity	1.68	11.66
Sales to Inventories	-4.26	3.52
Debt to Equity	—	1.44
Working Capital	$120,671,000	$137,314,000
Current Ratio	2.80	2.97
Shareholders' Equity	$ 73,250,000	$ 94,825,000

E.I. du Pont de Nemours & Company

1007 Market Street
Wilmington, Delaware 19898
(302) 774-1000

Officers: Edward G. Jefferson, chairman of the board & chief exec. officer; Richard E. Heckert, deputy chairman; Ralph E. Bailey, Edgar S. Woolard, Jr., vice chairmen; James F. Kearns, Harold E. May, H. Gordon Smyth, Samuel Schwartz, John R. Malloy, W. Earl Tatum, Alexander MacLachlaw, John J. Quindlen, John F. Schmutz, Allen L. Cleveland, Marion L. Sharrah, sr. v.p's; Elmer J. Grivetti, Archie W. Dunham, Colin H. Lee, H. Douglas Dahl, Jarvis B. Cecil, Robert B. Atwater, C. Wes McDonals, Floyd E. Ellis, exec. v.p.'s; Robert M. Aiken, David D. Mooberry, Nicholas Pappas, III, James F. Kearns, Carl De Martino, Dale E. Wolf, John C. Metzger, Jr., Elwood P. Blanchard, John P. McAndrews, group v.p.'s, Constantine S. Nicandros, president-Petroleum operations; Bobby R. Brown, chairman & chief exec. officer-Consolidation Coal Company.

Directors: Edward G. Jefferson*, chairman of the board; Irving S. Shapiro, Richard E. Heckert*, David K. Barnes*, H. Rodney Sharp, III, Robert C. Forney*, Andrew F. Brimmer, Margaret P. MacKimm, Philip E. Beekman, Joseph A. Dallas, Charles L. Brown, Gilbert E. Jones, Irenee du Pont, Jr., Edward B. du Pont, George P. Edmonds, Crawford H. Greenewalt, Edward R. Kane, Howard W. Johnson, William G. Simeral*, Charles R. Bronfman, Edgar M. Bronfman, Charles B. McCoy, Dean R. McKay, Ralph E. Bailey*, Louisa C. Duemling, Edward Shapiro, Edgar S. Woolard, Jr.*, Constantine Nicandros*, Wilfred Schmoe*.

*Member of the Executive Committee.

Areas of Work: Operations are divided into the following industrial segments: biomedical products; industrial and consumer products; fibers; polymer products; agricultural and industrial chemicals; petroleum exploration and production; petroleum refining, marketing and transportation; and coal. Biomedical products include clinical instruments and X-ray products used in medical diagnosis; prescription pharmaceuticals; radiopharmaceuticals and radioactive tracer chemicals; and biomedical instruments used principally in research. Industrial and consumer products include photographic products and systems for printing, engineering reproduction, data recording and micrographic markets; electronic products for high-density microcircuits, resistor networks and printed circuit boards; electronic connectors; chromium dioxide magnetic particles used in audio and video tapes and cassettes, and for data storage; finishes for the automotive and other industries; nonstick coatings, analytical instruments for research and industrial process monitoring; explosives; and sporting firearms and ammunition. Man-made fiber products consist of specialty fibers used in apparel, carpets, tire and aircraft component reinforcement, protective clothing, operating room apparel, packaging and road support, together with high-volume fibers for apparel and home fabrics, carpeting and industrial applications. Polymer products include plastic resins, elastomers, and films and other fabricated products. Agricultural chemical operations include worldwide manufacture and sales of fungicides, herbicides and insecticides for crop protection. Industrial chemicals comprise a range of such commodity and specialty products as pigments, organic chemicals, fluorochemicals, petroleum additives, mineral acids and other inorganics. Principal petroleum products include gasoline, jet fuel, diesel fuel, heating oil, fuel oil, asphalt, petroleum coke, natural gas, liquids and chemical feedstocks.

Industrial Departments:

Biochemicals Products Department
Finishes & Fabricated Products Department
Chemicals and Pigments Department
Petrochemicals Department
International Department
Photo Systems & Electronic Products Department
Polymer Products Department
Textile Fibers Department
Agricultural Chemicals Department

Subsidiaries:

Du Pont International Sales Corporation
Wilmington, Delaware

Conoco Delaware, Inc.

Conoco Inc.

New England Nuclear Corporation

Remington Arms Company, Inc
Bridgeport, Connecticut

Colorquim, S.A. de C.V.
Mexico, D.F., Mexico

Du Pont Taiwan Ltd.
Taipei, Taiwan

Du Pont Taiwan Chemicals Ltd
Taipei, Taiwan

Du Pont (Australia) Limited
Sydney, Australia

Du Pont (New Zealand) Ltd
New Zealand

Du Pont, S.A. de C.V.
Mexico, D.F., Mexico

Conoco (U.K.) Limited
London, England

Du Pont de Colombia, S.A.
Bogota, Colombia

Du Pont de Nemours (Belgium)
Brussels, Belgium

Brandywine Assurance Company Ltd.
Bermuda

E.I. du Pont de Nemours & Company

Quimica Du Pont Centroamerica, S.A.
Guatemala

Du Pont de Nemours (Deutschland) GmbH
Dusseldorf, Germany

Du Pont de Nemours International S.A.
Carouge, (Geneva), Switzerland

Du Pont de Nemours Italiana S.p.A.
Milan, Italy

Du Pont de Nemours (Luxembourg) S.A.
Contern, Luxembourg

Du Pont Photolux, S.A.
Luxembourg

Du Pont de Nemours (Nederland) B.V.
Dordrecht, Netherlands

Lacas y Pinturas, S.A.
Spain

Du Pont (Hong Kong) Ltd.
Hong Kong

Du Pont de Nemours Nordiska A.B.
Marsta, Sweden

Du Pont de Venezuela C.A.
Caracas, Venezuela

Du Pont do Brasil S.A.
Sao Paulo, Brazil

Du Pont Far East Inc.
Wilmington, Delaware

Comercial Quimica Peru S.A.
Lima, Peru

Du Pont de Nemours (France) S.A.
Paris, France

Du Pont Japan Limited
Japan

Du Pont (Singapore) Electronics Pvt., Ltd.
Singapore

Affiliated Companies:

La Domincia, S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

Desarrollo Quimico Industrial, S.A. (50% owned)
Madrid, Spain

Allied Eneabba Ltd. (50%)
Australia

Du Pont Canada, Inc. (74.88% owned)
Montreal, Quebec, Canada

Mitsui Fluorochemicals Company, Ltd. (50% owned)
Tokyo, Japan

Mitsui Polychemicals Company, Ltd. (50% owned)
Tokyo, Japan

Pigmentos Y Productos Quimicos, S.A. de C.V. (49% owned)
Mexico, D.F., Mexico

Showa Neoprene K.K. (50% owned)
Tokyo, Japan

Tetraetilo de Mexico, S.A. (40% owned)
Mexico, D.F., Mexico

Dupont-Toray Co. Ltd. (50% owned)
Tokyo, Japan

Quimic a Fluor, S.A. de C.V. (32.9% owned)
Mexico

Nylon de Mexico, S.A. (40% owned)
Mexico

Butachimie (50% owned)
France

Transfer Agent(s):

E.I. du Pont de Nemours & Company
Finance Department

Nemours Building
10th & Orange Streets
Wilmington, Delaware

Mailing Address:

1007 Market Street
Wilmington, DE 19898

Stock Exchange(s): New York

Ticker Symbol: DD

Number of Employees:

1985	146,017	1982	165,013
1984	157,783	1981	177,235
1983	159,231		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 29,483,000	$ 1,118,000
1984	30,559,000	1,431,000
1983	28,798,000	1,127,000
1982	29,061,000	894,000
1981	21 600,000	1,401,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	240,354,000	$ 4.61
1984	239,482,000	5.93
1983	237,767,000	4.70
1982	235,707,000	3.75
1981	184,260,000	7.55

+ Reflects reclassification of crude oil and refined product exchanges and trading transactions.
‡ Based on the average number of common shares outstanding.

Revenues By Line of Business

	1985 (millions)	1984 (millions)
Petroleum	$ 12,920	$ 13,126
Coal & minerals	1,517	1,572
Agricultural & industr. chem.	3,388	3,704
Polymer prods.	3,379	3,641
Fibers	4,483	4,660
Industr. & cons. prods.	2,780	2,831
Biomedical prods.	1,016	1,025
Total	$ 29,483	$ 30,559

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$3.00	—	—
1984	2.90	—	—
1983	2.50	—	—
1982	2.40	—	—
1981	2.75	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1985	$ 12,422,000	$ 51.62
1984	11,996,000	50.06
1983	11,235,000	47.04
1982	10,613,000	44.87
1981	10,221,000	43.60

‡ After allowing for preferred stock at stated values.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 29,483,000	$ 30,559,000
*Other income	409,000	303,000
Total Income	$ 29,892,000	$ 30,862,000
Cost of sales	17,898,000	18,627,000
Expenses	2,077,000	2,024,000
Deprec., deplet. & amort.	1,796,000	1,736,000
Explor. expenses	561,000	524,000
Res. & develop. expenses	1,144,000	1,097,000
Interest expense	513,000	565,000
Taxes	2,282,000	2,345,000
Loss on restruc. of invest.	226,000	—
Early retire. prog.	200,000	—
Income before taxes	$ 3,195,000	$ 3,944,000
Income taxes	2,077,000	2,513,000
Net Income	$ 1,118,000	$ 1,431,000

Assets
(000's)

As of Dec. 31	1985	1984
Cash & marketable securities	$ 583,000	$ 674,000
Accts. & notes receiv., net	4,044,000	3,814,000
*Inventories	3,873,000	3,792,000
Prepaid expenses	376,000	371,000
Current Assets	$ 8,876,000	$ 8,651,000
Investments	280,000	399,000
#Fixed assets	15,195,000	14,409,000
Other assets & investments	789,000	639,000
Total Assets	$ 25,140,000	$ 24,098,000

Liabilities
(000's)

Short-term borrowings	$ 723,000	$ 602,000
Accts. payable	2,550,000	2,445,000
Accruals	1,607,000	1,560,000
Income taxes	431,000	570,000
Curr. Liabilities	$ 5,311,000	$ 5,177,000
Long-term debt	3,191,000	3,421,000
Cap. lease oblig.	93,000	104,000
Other liabilities	1,475,000	1,458,000
Minority interest	68,000	78,000
Deferred inc. taxes	2,343,000	1,627,000
+ Preferred stock:		
$4.50 series	167,000	167,000
$3.50 series	70,000	70,000
+ + Common stock	401,000	399,000
Add. paid-in capital	4,492,000	4,455,000
Retained earnings	7,529,000	7,142,000
Total Liabilities & Shareholders' Equity	$ 25,140,000	$ 24,098,000

* Valued at LIFO cost.
# Less accumulated depreciation and obsolescence.
+ No par value; cumulative.
+ + $1.66⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	10.84	10.98
%Net Income to Sales	3.79	3.98
%Net Income to Equity	8.83	11.70
Sales to Inventories	7.61	9.47
Debt to Equity	0.32	0.34
Working Capital	$ 3,565,000,000	$ 3,474,000,000
Current Ratio	1.67	1.67
Shareholders' Equity	$12,659,000,000	$12,233,000,000

Dynalectron Corporation

1313 Dolley Madison Boulevard
McLean, Virginia 22101
(703) 356-0480

Officers: Jorge Carnicero, chairman of the board; Raymond J. Mulligan, vice-chairman; Daniel R. Bannister, president & chief exec. officer; G.W. Walther Ewalt, exec. v.p.; John F. Schelling, sr. v.p. & general counsel; T. Eugene Blanchard, sr. v.p. and chief financial officer; James H. Duggan, sr. v.p.-Aviation Services; Gerald A. Dunn, v.p. & controller; Randolph S. Nunnally, v.p.-Dynatech Divisions; Arnold Toivonen, president-Government Services, Group; Richard A. Hutchinson, treasurer; William H. Cartwright, v.p.-strategic planning; James Stuart, v.p.-risk mgt.; H. Montgomery Hougan, corporate secty. and deputy general counsel; Robert G. Wilson, v.p. & gen'l auditor; Michael F. Robilotto, v.p.-human resources; Barbara Van Blaram, v.p.-corp. communications.

Directors: Jorge Carnicero*, chairman, James D. Berry, Charles G. Gulledge*, John H.F. Haskell, Jr., Raymond J. Mulligan, Edwin C. Phillips, Merlon F. Richards*, Sterling D. Colton, D.R. Bannister, Edwin C. Hoffman.

* Member of the Executive Committee.

Areas of Work: The Company's activities are conducted in two broad areas: technical services and specialty contracting. Technical services include R&D and aviation and weapons support services for the Department of Defense; logistics support and management information processing for the military; radar systems for the U.S. Air Force and Navy; Communications, navigation, Sonar, and weapons systems for the U.S. Navy; simulator/training device operation and instruction services; and microwave voice and date communication systems installation and integration. Specialty contracting services include the construction of public utility systems, industrial facilities, commercial buildings, transportation facilities, medical facilities, government facilities and military installations, process control and instrumentation systems, and factory automation systems.

Operating Groups:

Technical Services Group
Provides diversified technical, scientific, and support services for both military and civil aviation.

Commercial Aviation Services

CFE Services, Inc.
Norfolk, Virginia

Heli-Dyne Systems, Inc.
Fort Wort, Texas

Airtech Service, Inc.
Miami, Florida

Servair Inc.
McLean, Virginia

Dyn Logistics Services, Inc.
Norfolk, Virginia

IFC Aviation, Inc.
McLean, Virginia

Government Services

Dynatech Divisions
Albuquerque, New Mexico

Aerospace Operations Division
Fort Worth, Texas

PAC ORD
San Diego, California

Ft. Belvoir Division
Ft. Belvoir, Virginia

System Services Division
McLean, Virginia

International Services

ITS International, Inc.
McLean, Virginia

Dynarabia Company Limited
Riyadh, Saudi Arabia

ITS International Services Gmbh
Wiesbaden, West Germany

Specialty Contracting

State Contractors, Inc.
Toronto, Ontario, Canada

Dynalectron Systems
Toronto, Ontario, Canada

Fuller-Austin of Canada, Ltd.
Calgary, Alberta

Fuller Austin Insulation Co.
Houston, Texas

Other Construction Services

Aneco Division of EUC
Owensboro, Kentucky

Electric Utility Construction
Owensboro, Kentucky

ANECO Company
Clearwater, Florida

ANECO Power Company
Tallahassee, Florida

B & B Contracting & Supply Company
Dallas, Texas

Transfer Agent(s):

RepublicBank Dallas
Corporate Trust Division
P.O. Box 2964
Dallas, Texas 75221

Stock Exchange(s): New York

Ticker Symbol: DYN

Number of Employees:

1985	13,000	1983	11,000
1984	13,000		

Sales and Earnings

	Revenues +	Net Income
1985	$ 640,347,000	$ 3,291,000
1984	602,926,000	12,043,000
1983	514,377,000	10,276,000
1982	439,329,000	13,121,000
1981	440,634,000	13,865,000

	No. of Com. Shares †	Earn. per Share †
1985	9,512,000	$ 0.34
1984	9,808,000	1.23
1983	9,358,000	1.10
1982	8,583,000	1.53
1981	8,561,000	1.62

+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.27	—	—
1984	0.25	—	—
1983	0.25	—	—
1982	0.20	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 103,689,000‡	$ 10.82
1984	99,287,000	10.75
1983	95,729,000‡	10.22
1982	80,572,000	9.40
1981	69,451,000	8.12

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Revenues	$ 640,347	$ 602,926
Cost of sales	607,917	565,570
Expenses	18,980	17,356
Interest expense	3,779	2,829
Interest income	(3,395)	(4,966)
Income before taxes	$ 13,066	$ 22,137
Income taxes	5,498	10,268
Inc.-cont. oper.	$ 7,568	$ 11,869
Inc. (loss)-discont. oper.	(4,277)	174
Net Income	$ 3,291	$ 12,043

* Included in Costs and Expenses, Depreciation and Amortization: $10,852,000 in 1985 and $9,800,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 38,449	$ 44,442
Notes & long-term receiv., curr.	227	531
Accts. receiv., net	150,138	144,200
*Inventories	8,784	6,642
Prepaid expenses	6,030	3,168
Current Assets	$ 203,628	$ 198,983
Long-term receiv.	1,361	1,592
#Fixed assets	44,406	39,101
Other assets	14,640	14,821
Intangibles	13,228	10,543
Total Assets	$ 277,263	$ 265,040

Liabilities
(000's)

Long-term debt, curr.	$ 2,393	$ 1,233
Accts. payable	48,503	43,972
Adv. on contract pay.	7,895	5,717
Accruals	50,814	40,383
Accrued inc. taxes	18,279	28,178
Curr. Liabilities	$ 127,884	$ 119,483
Long-term debt	22,660	22,745
Deferred income taxes	17,175	14,873
Other liab. & def. credits	5,673	5,391
+ Preferred stock	182	3,261
+ Common stock	1,001	1,001
Add. paid-in capital	41,967	40,878
Curr. trans. adj.	(1,734)	(1,181)
Retained earnings	66,279	65,552
Treasury stock	(3,824)	(6,963)
Total Liabilities & Shareholders' Equity	$ 277,263	$ 265,040

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	3.17	11.74
Debt to Equity	0.23	0.24
Working Capital	$ 75,744,000	$ 79,500,000
Current Ratio	1.59	1.67
Shareholders' Equity	$103,871,000	$102,548,000

Dynamics Corporation of America

475 Steamboat Road
Greenwich, Connecticut 06830
(203) 869-3211

Officers: Andrew Lozyniak, chairman of the board & president; Edward J. Mooney, vice chairman of the board, v.p., & secretary; Henry V. Kensing, v.p. & general counsel; Patrick J. Dorme, v.p.-finance & chief financial officer; Richard E. Smith, treasurer; M. Gregory Bohnsack, controller; Leona Cebelenski, asst. secretary.

Directors: Frank A. Gunther, Henry V. Kensing, Andrew Lozyniak, William A. Matheson, Jr., Cartis T. Roff, Edward J. Mooney, Saul Sperber, Joseph Walker.

Areas of Work: Engaged in five general lines of business or product areas: electronic systems and components, farm machinery and equipment, air distribution equipment, industrial equipment and consumer products.

Dynamics Corporation of America

Divisions and Subsidiaries:

Anemostat Products Division
888 North Keyser Avenue
Scranton, Pennsylvania 18501
(717) 346-6586

Manufactures air terminal boxes, grilles, registers, sound traps and other metal products for installation in commercial building heating, ventilation and air conditioning systems.

Fermont Division
141 North Avenue
Bridgeport, Connecticut 06606
(203) 366-5211

Engine generator sets, standby power sources, solid-state controls and switchgear for integrated circuits.

Ellis and Watts Division
4400 Glen Willow Lake Lane
Cincinnati, Ohio 45244
(513) 891-8000

Air and liquid special cooling and temperature control devices, dehydrators, fluid transfer units, air handling equipment, special fans, and electronic trailers for government industrial, medical and power use.

International Electronic Research Corporation
135 West Magnolia Boulevard
Burbank, California 91502
(213) 849-2481

Manufactures board mounted and extruded semiconductor heat sinks/dissipators, Zero Insertion Force circuit board retainers, high performance card cages, cold walls, enclosures, tube shields and other thermal packaging components.

Portable Elevator Division
920 Grove Street
Bloomington, Illinois 61701
(309) 829-1235

Portable farm elevators, conveyors, field cultivators, truck hoists, planters, plows, disk harrows and other material-handling equipment sold to farmers for soil preparation and product handling.

Reeves-Hoffman Division
400 West North Street
Carlisle, Pennsylvania 17013
(717) 243-5929

Manufactures quartz crystal products consisting of crystal units, wafers, oscillators, filters, ovens, frequency standards and glass to metal seal enclosures for application in the precise frequency control of speech and data transmission systems and the packaging of integrated circuits and other electronic components.

Waring Products Division
Route 44
New Hartford, Connecticut 06057
(203) 379-0731

Manufactures commercial and consumer portable electrical appliances such as the original Blendor, mixers, can openers, food slicers, food processors, juicers, coffee preparation products, ice cream makers and food dehydrators.

Transfer Agent(s):

First Natonal Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102
(617) 924-6892

Stock Exchange(s): New York

Ticker Symbol: DYA

Sales and Earnings

	Net Sales	Net Income
1985	$ 147,881,000	$ 15,643,000
1984	140,108,000	8,770,000
1983	150,576,000	14,353,000
1982	140,749,000	3,944,000
1981	152,580,000	6,724,000

	No. of Com. Shares †	Earn. per Share †
1985	4,269,642	$ 3.66
1984	4,339,118	2.02
1983	4,414,438	3.25
1982	4,458,248	0.88
1981	4,531,021	1.48

† Based on the average number of common shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electrical appliances & electronic devices	$ 57,487	$ 51,478
Fabricated metal products & equipment	28,699	34,228
Power & controlled environmental systems	61,695	54,402
Total	$ 147,881	$ 140,108

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	—
1983	0.175	—	—
1982	0.15	—	—
1981	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 91,958,000	$ 21.54
1984	77,846,000	17.94
1983	71,649,000	16.23
1982	60,055,000	13.47
1981	56,909,000	12.56

† Based on the average number of common shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 147,881,000	$ 140,108,000
Cost of sales	105,393,000	100,634,010
Expenses	34,503,000	29,329,000
Other income	(20,008,000)	(3,725,000)
Income before taxes	$ 27,993,000	$ 13,870,000
Income taxes	12,350,000	5,100,000
Net Income	$ 15,643,000	$ 8,770,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,453,000 in 1985 and $2,296,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 8,226,000	$ 7,931,000
Marketable securities	35,285,000	11,611,000
Accts. receiv., net	19,799,000	21,303,000
•Inventories	29,021,000	26,218,000
Other current assets	1,599,000	1,639,000
Def. income taxes	1,472,000	1,291,000
Current Assets	$ 95,402,000	$ 69,993,000
#Fixed assets	9,236,000	8,762,000
Eq. invest. in CTS Corp.	14,333,000	14,129,000
Def. income taxes	—	12,890,000
Patent award	11,928,000	—
Deposit	—	6,450,000
Market. secur.	—	384,000
Total Assets	$ 130,899,000	$ 112,608,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 394,000	$ 363,000
Accts. payable	5,891,000	5,301,000
Accruals	22,008,000	25,238,000
Income taxes	2,856,000	667,000
Curr. Liabilities	$ 31,149,000	$ 31,569,000
Long-term debt	2,851,000	3,193,000
Deferred income taxes	4,941,000	—
+ Common stock	423,000	427,000
Add. paid-in capital	9,443,000	9,265,000
Retained earnings	82,997,000	69,396,000
Subs. receiv. & def. compens.	(905,000)	(1,242,000)
Total Liabilities & Shareholders' Equity	$ 130,899,000	$ 112,608,000

• At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	18.93	9.90
%Net Income to Sales	10.58	6.26
%Net Income to Equity	17.01	11.27
Sales to Inventories	5.10	5.34
Debt to Equity	0.04	0.05
Working Capital	$64,253,000	$38,424,000
Current Ratio	3.06	2.22
Shareholders' Equity	$91,958,000	$77,846,000

Dynamics Research Corporation

60 Concord Street
Wilmington, Massachusetts 01887
(617) 658-6100

Officers: John S. Anderegg, Jr., chairman of the board & president; Albert Rand, sr. v.p.-Systems Div.; Joseph J. Bakewell, v.p.-Metrigraphics Div.; John L. Wilkinson, v.p.-human resources; Chester Ju, v.p.-Encoder Divisions; James F. Pablo, v.p., chief financial officer & treasurer; David C. Proctor, asst. treasurer; John R.D. McClintock, clerk; Nancy M. Bodenstein, assistant clerk & dir.-communications.

Directors: John S. Anderegg, Jr., Thomas J. Troup, Sims McGrath, Wickham Skinner, Frank Gabron, Marvin G. Schorr, Albert Rand.

Areas of Work: The Company's Defense segment is involved in the development and operation of data gathering, analysis, planning and management systems for major weapon programs of the Department of Defense. The Commercial segment manufactures devices which precisely measure position and control motion in electromechanical equipment, and produces precision scales on glass and other media for use in technical instruments and computer peripherals.

Divisions:

Encoder Division
Precision Measurement Division
Metrigraphics Division
Systems Division
Test Equipment Division

Subsidiaries:

DRC International Corporation (DISC)

Transfer Agent(s):

State Street Bank and Trust Company
225 Franklin Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DRCO (NASDAQ)

Number of Employees:

1985	1,003	1982	766
1984	899	1981	745
1983	756		

Sales and Earnings

	Net Sales †	Net Income
1985	$ 62,320,000	$ 153,000
1984	47,863,000	1,510,000
1983	38,764,000	1,007,000
1982	34,416,000	654,000
1981	27,548,000	867,000

	No. of Com. Shares +	Earn. per Share #
1985	3,218,991	$ 0.05
1984	3,218,991	0.47
1983	3,218,991	0.31
1982	3,218,991	0.20
1981	3,218,991	0.27

† Including contract revenues; of continuing operations only.
+ Adjusted to reflect stock dividends and stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1985	1984
Digital sensors & controls	$ 9,138,000	$ 9,816,000
Tech. management svcs. for defense	53,182,000	38,047,000
Total	$ 62,320,000	$ 47,863,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$ —	25%	—
1984	0.02	5% & 25%	—
1983	0.04	10% & 10%	—
1982	0.03	10% & 10%	—
1981	0.02	10%	3-for-2

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 9,868,000	$ 3.07
1984	9,718,000	3.77
1983	8,275,000	3.21
1982	7,390,000	2.87
1981	6,839,000	2.66

+ Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended	12/28/85	12/29/84
Net sales & revenues	$ 62,320,000	$ 47,863,000
Cost of sales	48,665,000	36,508,000
Expenses	9,223,000	8,231,000
Interest expense	596,000	310,000
Income before taxes	$ 3,836,000	$ 2,814,000
Income taxes	1,637,000	838,000
Inc. - cont. oper.	$ 2,199,000	$ 1,976,000
Loss - discont. oper.	(2,046,000)	(466,000)
Net Income	$ 153,000	$ 1,510,000

* Included in Cost and Expenses, Depreciation and Amortization: $1,736,000 in 1985 and $1,046,000 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	$ 490,000	$ 222,000
Receiv., net	15,059,000	8,451,000
Other receiv.	1,150,000	—
Unbilled fees	2,458,000	3,194,000
*Inventories	1,281,000	4,472,000
Tax refund	—	419,000
Prepaid expenses	780,000	132,000
Current Assets	$ 21,218,000	$ 16,890,000
#Fixed assets	5,739,000	5,923,000
Total Assets	$ 26,957,000	$ 22,813,000

Liabilities

Notes payable	$ 5,650,000	$ 3,600,000
Long-term debt, curr.	833,000	833,000
Accts. payable	3,694,000	2,858,000
Accruals	2,733,000	706,000
Accrued payroll	2,350,000	1,626,000
Deferred inc. taxes	327,000	1,235,000
Accrued taxes	297,000	—
Curr. Liabilities	$ 15,884,000	$ 10,858,000
Long-term debt	833,000	1,667,000
Deferred inc. taxes	372,000	570,000
+Common stock	322,000	258,000
Add. paid-in capital	6,971,000	7,035,000
Retained earnings	2,575,000	2,425,000
Total Liabilities & Shareholders' Equity	$ 26,957,000	$ 22,813,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	1.55	15.54
Debt to Equity	0.74	0.63
Working Capital	$5,334,000	$6,032,000
Current Ratio	1.34	1.56
Shareholders' Equity	$9,868,000	$9,718,000

Dynascan Corporation

6460 W. Cortland Street
Chicago, Illinois 60635
(312) 889-8870

Officers: Carl Korn, chairman & chief exec. officer; Jerry Kalov, president & chief operating officer; David T. Allen, v.p.-finance & chief financial officer; Fred N. Hackendahl, v.p.-corp. development; Leonard Abrahamson, v.p.-human resources; S. Gene Balaban, v.p. & gen. mgr.-Industrial Electronic Products Group; J. Dennis Burke, v.p. & gen. mgr.-Consumer Electronic Products Group; Henry J. Gronski, v.p.-corporate services & facilities; Samuel B. Horberg, vice president, secretary and treasurer.

Directors: Samuel B. Horberg, Carl Korn, James L. Marovitz, Ronald Cramer, Harold D. Schwartz, Jerry Kalov.

Areas of Work: Designs, imports and markets two-way citizens-band radios, cordless and wired telephones, telephone answering systems and radar detectors. Develops and markets industrial products, B & K Precision electronic test and measurement equipment, and Telemotive Radio Remote Control systems for heavy industrial equipment.

Divisions:

Consumer Electronic Products Group

Cobra Telecommunications
Manufactures corded and cordless telephones and answering machines.

Cobra Personal Communications Products
Manufactures CB radios and radar detectors.

Industrial Electronic Products Group

B&K-Precision Test and Measurement Equipment

Telemotive Industrial Radio Remote Control Systems
Remote control devices for heavy industrial equipment, such as overhead cranes and yard locomotives.

Transfer Agent(s):

Continental Illinois National Bank & Trust Company
231 South LaSalle Street
Chicago, Illinois 60602

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYNA (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 128,084,000	$ 138,000
1984	125,271,000	(16,042,000)
1983	173,439,000	8,777,000
1982	82,921,000	3,356,000
1981	66,743,000	3,036,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,562,000	$ 0.03
1984	4,551,000	—
1983	4,518,000	1.94
1982	4,231,000	0.79
1981	4,222,000	0.72

(Loss)
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1985	1984
Consumer electronics products	$ 103,747,000	$ 100,010,000
Industrial electronics products	24,337,000	25,261,000
Total	$ 128,084,000	$ 125,271,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	3%	—
1983	—	3% + 3%	—
1982	—	3% + 3%	—
1981	—	3% + 3%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 31,374,000	$ 6.91
1984	31,236,000	6.88
1983	47,274,000	10.42
1982	33,663,000	7.94
1981	30,318,000	7.15

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 128,084,000	$ 125,271,000
Cost of sales	103,504,000	129,148,000
Expenses	20,486,000	19,574,000
Interest expense	3,969,000	5,822,000
Tax lease invest. reduction	—	2,000,000
Prof. sh. plan	200,000	—
Other income	(213,000)	(346,000)
Inc. (loss) bef. taxes	$ 138,000	$ (30,927,000)
Tax credit	—	(14,885,000)
Net Income (Loss)	$ 138,000	$ (16,042,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,004,000 in 1985 and $829,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,389,000	$ 2,195,000
Marketable securities	1,455,000	37,000
Receiv., net	28,302,000	32,765,000
*Inventories	22,077,000	35,414,000
Prepaid expenses	2,942,000	3,716,000
Other current assets	1,511,000	8,791,000
Current Assets	$ 57,676,000	$ 82,918,000
#Fixed assets	5,682,000	5,634,000
Other assets	7,810,000	7,486,000
Total Assets	$ 71,167,000	$ 96,038,000

Liabilities

Note payable	$ 6,000,000	$ 49,375,000
Accts. payable	4,171,000	4,458,000
Accruals	7,315,000	8,398,000
Curr. Liabilities	$ 17,486,000	$ 62,231,000
Oblig. under cap. lease	1,957,000	1,957,000
Deferred inc. taxes	350,000	614,000
Long-term notes payable	20,000,000	—
+Common stock	1,548,000	1,548,000
Add. paid-in capital	23,837,000	23,837,000
Retained earnings	6,054,000	5,916,000
Treasury stock	(65,000)	(65,000)
Total Liabilities & Shareholders' Equity	$ 71,167,000	$ 96,038,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.33⅓ par value.

Statistical Summary

%Income bef. Taxes to Sales	0.11	—
%Net Income to Sales	0.11	—
%Net Income to Equity	0.44	—
Sales to Inventories	5.80	3.54
Debt to Equity	0.25	1.64
Working Capital	$40,190,000	$20,687,000
Current Ratio	3.30	1.33
Shareholders' Equity	$31,374,000	$31,236,000

Dynatech Corporation

3 New England Executive Park
Burlington, Massachusetts 01803
(617) 272-3304

Officers: Warren M. Rohsenow, chairman; J.P. Barger, president; Kenneth D. Roberts, sr. v.p. & treasurer; James R. Turner, R. Claude Olier, Howard M. Crow, Jr., Ronald H. Weatherhogg, John F. Reno, group v.p.'s; H. Weatherhogg, John A. Powers, Dorothy G. Cooley, David S. Howell, v.p.'s; Edward T. O'Dell, Jr., secretary; Vera B. Durling, asst. secretary; Robert H. Hertz, corporate controller; Donald E. Worfolk, asst. treasurer.

Directors: Warren M. Rohsenow, chairman; J.P. Barger, James B. Hangstefer, Theodore Cohn, Warren A. Law.

Areas of Work: Manufactures and sells electronic-based test and measurement instruments for three major markets-data communications, medical instrumentation, and electronic test instruments. Supplies diagnostic systems to research and clinical laboratories, and provides research development and consulting services in chemical and mechanical engineering to industrial and government clients.

Divisions and Subsidiaries:

Scientific Instruments Segment

Dynatech R/D Company
Cambridge, Massachusetts

Artek Systems Corporation
Farmingdale, New York

Dynatech Frontier Corporation
Albuquerque, New Mexico

Trigon Industries, Inc.
Milpitas, California

Lighting Location & Protection, Inc.
Tucson, Arizona

Dynatech Precision Sampling Corp.
Baton Rouge, Louisiana

Trans-Met Engineering, Inc.
Anaheim, California

LEA Dynatech Inc.
Santa Fe Springs, California

Dynatech Computer Power Inc.
Scotts Valley, California

Sensors, Inc.
Saline, Michigan

Diagnostic Instrument Segment

Dynatech Laboratories, Incorporated
Chantilly, Virginia

Dynatec Nevada, Inc.
Carson City, Nevada

Dynatech Medical Products Ltd.
Guernsey, Channel Islands

Communications Products Segment

Data Communications:

Dynatech Data Systems
Springfield, Virginia

Telecommunications Techniques Corp.
Gaithersburg, Maryland

Dynatech Data Communications, Ltd.
Guernsey, Channel Islands

Dynatech Packet Technology, Inc.
Alexandria, Virginia

Dynatech Communications, Ltd.
Ajax, Ontario, Canada

Interface Technology, Inc.
Glendora, California
Manufactures and markets digital electronics test instruments.

Cybermation Ltd.
St. Albans, Hertfordshire, England

Digital Technology, Inc.
Dayton, Ohio

Innovative Electronics, Inc.
Miami, Florida

Interkom GmbH
Im Erschel, West Germany

Microwave Equipment:

Dynatech/U-Z, Inc.
Venice, California

Controlonics Corporation
Westford, Massachusetts

Integra, Inc.
Santa Clara, California

Video Communications:

Utah Scientific, Inc.
Salt Lake City, Utah

Quanta Corporation
Salt Lake City, Utah

ColorGraphic Systems, Inc.
Madison, Wisconsin

Overseas Sales Companies

Dynatech, A.G.
Zug, Switzerland

Dynatech Produkte, A.G.
Embrach-Embraport, Switzerland

Dynatech Laboratories Ltd.
Billingshurst, Sussex, England

Laboratoire Dynatech S.A.R.L.
Marnes la Coquette, France

Dynatech Deutschland GmbH
Denkendorf, West Germany

Dynatech Communications GmbH
Friedichsdorf, West Germany

Dynatech Communications A/S
Oslo, Norway

Dynatech Communications Svenska A.B.
Taby, Sweden

Dynatech Communications S.A.R.L.
Fresnes, France

Nihon Dynatech K.K.
Tokyo, Japan

Datatel S.A.
Boulogne-Billancourt, France

Datatech Communications S.R.L.
Milan, Italy

Dynatech Systems Ltd.
Waltham Cross, Hertfordshire, England

Dynatech Systems S.A.
Boulogne-Billancourt, France

Dynatech Test Instruments
Fresnes, France

Laboratoire Dynatech S.A.R.L.
Marnes la Coquette, France

Quanta International
Aalsmeer, The Netherlands

Dynatech Communications Ltd.
Waltham Cross, Hertfordshire, England

Dynatech Hong Kong Ltd.
Wanchai, Hong Kong

Transfer Agent(s):
The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: DYTC (NASDAQ)

Number of Employees:

1986	2,550	1983	1,606
1985	2,400	1982	N.A.
1984	N.A.		

N.A. - Not Available.

Sales and Earnings ‡

	Net Sales +	Net Income
1986	$ 256,709,000	$ 20,487,000
1985	220,277,000	19,559,000
1984	160,976,000	11,180,000
1983	134,575,000	9,280,000
1982	105,276,000	6,179,000

	No. of Com. Shares.	Earn. per Share #
1986	10,500,000	$ 1.95
1985	10,300,000	1.89
1984	10,200,000	1.10
1983	10,200,000	0.96
1982	9,800,000	0.63

+ Including contract revenue.
‡ Restated to include operations of companies acquired on a pooling of interests basis.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1986	1985
Communications prods.	$ 194,908,000	$ 158,126,000
Diagnostic prods.	25,782,000	29,013,000
Scientific instruments	36,019,000	33,138,000
Total	$ 256,709,000	$ 220,277,000

Common Stock Equity †

	Total Equity	Equity Per Share
1986	$ 95,615,000	$ 9.10
1985	72,122,000	6.93
1984	53,810,000	5.22
1983	41,999,000	4.15
1982	31,101,000	3.12

† Restated.

Income Account *
(000's)

Year ended March 31	1986	1985
Net sales	$ 256,709	$ 220,277
Cost of sales	112,795	96,688

Expenses	84,344	74,418
Prod. develop. exp.	22,091	16,854
Interest expense	2,665	3,350
Other income	(586)	(242)
Gain on sale of subsid.	—	(4,001)
Income before taxes	$ 35,400	$ 33,210
Income taxes	14,963	13,651
Net Income	$ 20,437	$ 19,559

* Included in Costs and Expenses, Depreciation and Amortization: $7,906,000 in 1986 and $5,606,000 in 1985.

Assets
(000's)

As of March 31	1986	1985
Cash & cash equiv.	$ 7,452	$ 2,324
Accts. receiv., net	49,767	43,043
*Inventories	50,423	52,191
Other assets	3,699	2,484
Current Assets	$ 111,341	$ 100,042
#Fixed assets	25,400	23,272
Other assets	4,526	5,313
Intangibles	13,128	13,366
Total Assets	$ 154,395	$ 141,993

Liabilities
(000's)

Long-term debt, curr.	$ 2,836	$ 4,804
Accts. payable	11,719	12,935
Accruals	8,890	7,496
Accrued payroll	6,784	6,053
Profit sharing	1,957	1,411
Income taxes	4,867	4,870
Curr. Liabilities	$ 37,052	$ 37,569
Long-term debt	17,267	28,333
Def. inc. taxes	4,460	3,969
+Common stock	2,101	2,081
Add. paid-in capital	5,455	4,753
Retained earnings	88,157	67,720
Cum. for. curr. trans.	(98)	(2,432)
Total Liabilities & Shareholders' Equity	$ 154,395	$ 141,993

* At lower of cost (FIFO & average) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.79	15.08
%Net Income to Sales	7.96	8.88
%Net Income to Equity	21.37	27.12
Sales to Inventories	5.09	4.22
Debt to Equity	0.21	0.46
Working Capital	$74,288,000	$62,473,000
Current Ratio	3.00	2.66
Shareholders' Equity	$95,615,000	$72,122,000

Dyneer Corporation

(formerly ASPRO, Inc.)
(40% owned by UTC International of Basel, Switzerland)

The Riverside Building
Westport, Connecticut 06880
(203) 226-1071

Officers: Harlan W. Smith, chairman of the board & president; James R. Gerrity, sr. v.p.-finance & administration; J. Bradford Perkins, v.p.-information technology products group; Kenneth E. Thorp, v.p.-mobile equipment products group; David E. Stoll, controller; Charles Hemmerdinger, treasurer; Lawrence K. Sandness, secretary & general counsel; Charles F. Greenwood, v.p.-human resources.

Directors: James R. Gerrity, Geraldine C. Herzfeld, Alfred E. Sarasin, William W. Sellew, Harlan W. Smith, M. Abbott Van Nostrand, Peter Gloor, Josef Zumstein.

Areas of Work: The Company is involved in three business segments: Information technology, mobile equipment and transportation products. Information technology products include: optoelectronic control devices used in electronic business equipment; seismic equipment which measures vibration and earthquakes.

Divisions and Subsidiaries:

Sensor Technology, Inc.
Chatsworth, California
Optoelectronic devices and assemblies.

Sprengnether Instruments, Inc.
St. Louis, Missouri
Seismic instrumentation and systems.

Technitron International, Inc.
New York, New York
Electronic equipment and systems.

X-Data Limited
Slough, Berkshire
England
Computer peripherals.

Tractech, Inc.
Warren, Michigan
Sligo, Ireland
Manufactures traction differentials.

Mud Hog Corporation
Brookston, Indiana
Produces auxiliary drive systems.

Dico Company, Inc.
Des Moines, Iowa
Anaheim, California
El Cajon, California
Atlanta, Georgia
Elkhardt, Indiana
Dresden, Tennssee
Grand Prairie, Texas
Slinger, Wisconsin
Manufactures industrial wheel/tire assemblies and braking systems.

Mercury Products Division
Canton, Ohio
Manufactures clutches and brakes.

Spun Steel Corporation
Dothan, Alabama
Bloomfield Hills, Michigan
Corinth, Mississippi
Strathroy and Windsor, Ontario
Acuna, Mexico (40% owned)
Manufactures automotive and industrial pulleys.

Granning Suspensions, Inc.
Livonia, Michigan
Auxiliary axle suspensions.

Krafttube, Inc.
Reed City, Michigan
Automotive tubing assemblies.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: DYR

Number of Employees:

1985	1,850	1982	1,700
1984	N.A.	1981	1,700
1983	1,700		

Plant Footage:

1985	1,774,242 sq. ft.	1982	1,851,696
1984	N.A.	1981	1,638,337
1983	1,923,655		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 215,069,000	$ 8,400,000
1984	196,462,000	7,400,000
1983	155,072,000	3,240,000
1982	157,478,000	4,010,000
1981	151,564,000	7,250,000

	No. of Com. Shares ‡	Earn. per. Share ‡
1985	3,499,000	$ 2.40
1984	3,495,000	2.12
1983	3,427,000	0.95
1982	3,405,000	1.18
1981	3,427,000	2.12

‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Mobile equip. & industrial prods.	$ 95,165	$ 92,507
Electronic prods.	71,518	62,983
Transportation prods.	48,386	40,972
Total	$ 215,069	$ 196,462

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.80	—	—
1984	0.70	—	—
1983	0.70	—	—
1982	0.70	—	—
1981	0.62	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 63,585,000	$ 18.17
1984	57,746,000	16.52
1983	53,233,000	15.31
1982	52,714,000	15.31
1981	50,731,000	14.84

Income Account *

Year ended July 31	1985	1984
Net sales	$ 215,069,000	$ 196,462,000
Other income	2,441,000	848,000
Total income	$ 217,510,000	$ 197,310,000
Cost of sales	161,671,000	146,256,000
Expenses	38,415,000	35,556,000
Interest expense	3,024,000	2,498,000
Income before taxes	$ 14,400,000	$ 13,000,000
Income taxes	6,000,000	5,600,000
Net Income	$ 8,400,000	$ 7,400,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,780,000 in 1985 and $4,536,000 in 1984.

Assets

As of July 31	1985	1984
Cash	$ 1,694,000	$ 2,543,000
Investments	14,313,000	13,655,000
Accts. receiv., net	33,079,000	25,266,000
*Inventories	36,241,000	40,097,000
Prepaid expenses	2,073,000	2,432,000
Current Assets	$ 87,400,000	$ 83,993,000
#Fixed assets	35,871,000	32,913,000
Other assets	8,660,000	11,959,000
Total Assets	$ 131,931,000	$ 128,865,000

Liabilities

Notes payable	$ 4,948,000	$ 5,495,000
Long-term debt, curr.	1,698,000	1,387,000
Accts. payable	20,521,000	21,598,000
Other curr. liabilities	10,378,000	9,184,000
Income taxes	4,142,000	3,228,000

Dyneer Corporation

Curr. Liabilities	$ 41,687,000	$ 40,892,000
Long-term debt	22,597,000	24,279,000
Deferred inc. taxes	1,788,000	1,783,000
Other liabilities	2,274,000	4,165,000
+ Common stock	3,396,000	3,396,000
Add. paid-in capital	21,956,000	21,902,000
Retained earnings	40,047,000	34,340,000
For. curr. trans. adjust.	(1,630,000)	(1,527,000)
Treasury stock	(184,000)	(365,000)
Total Liabilities & Shareholders' Equity	$ 131,931,000	$ 128,865,000

* At lower of cost (FIFO and LIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.70	6.62
%Net Income to Sales	3.91	3.77
%Net Income to Equity	13.21	12.81
Sales to Inventories	5.93	4.90
Debt to Equity	0.46	0.54
Working Capital	$45,713,000	$43,101,000
Current Ratio	2.10	2.05
Shareholders' Equity	$63,585,000	$57,746,000

EAC Industries, Inc.

224 South Michigan Avenue
Suite 220
Chicago, Illinois 60604
(312) 922-7111

Officers: Peter B. Fritzsche, chairman of the board & president; Paul Fritzsche, v.p.-operations and administration & secretary; Arthur L. Goldberg, v.p.-finance & treasurer; Peter O. Fetzer, asst. secretary.

Directors: George J. Dunn, Paul Fritzsche, Peter B. Fritzsche*, Philip H. Geier, Jr., James F. Peil*, Daniel E. Virnich*, Paul E. Price*, James M. Baisley.

* Member of the Executive Committee.

Areas of Work: Manufactures hardware products for screen and storm doors and security locks; electrical equipment such as compressors, electrical controllers, fans, pumps, electric motors, collector rings and uninterruptible and standby power supplies; jet engine components; point-of-purchase advertising such as in-store sales aids, wall decorations and metallized plastic; manufactured housing for dealers and developers.

Subsidiaries:

Welco Industries, Inc.
Cincinnati, Ohio

Ideal Security Hardware Corporation
St. Paul, Minnesota

Goodren Products Corporation
Englewood, New Jersey

Sterling Corporation
White Pigeon, Michigan

The Stalker Corporation
Essexville, Michigan

Sterling Manufactured Homes, Inc.
Albemarle, North Carolina

Transfer Agent(s):

First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: EAC

Sales and Earnings

	Revenues +	Net Income
1985	$ 76,589,000	$ 59,000
1984	55,063,000	(144,000)
1983	38,845,000	2,009,000
1982	32,120,000	1,891,000
1981	31,209,000	1,934,000

	No. of Com. Shares #	Earn. per Share #
1985	1,941,000	$ 0.03
1984	1,924,000	—
1983	1,796,000	1.12
1982	1,578,000	1.20
1981	1,556,000	1.24

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Hardware	$ 21,942	$ 21,040
Aircraft & defense	16,965	14,563
Point-of-purchase adv.	4,908	4,150
Manufactured housing	32,774	15,310
Total	$ 76,589	$ 55,063

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.40	—	—
1984	0.40	—	—
1983	0.40	—	—
1982	0.40	—	—
1981	0.36	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 17,129,000	$ 8.82
1984	17,684,000	9.19
1983	18,627,000	9.70
1982	14,957,000	9.25
1981	13,337,000	8.56

Income Account *
(000's)

Year ended Jan. 31	1986	1985
Net sales	$ 76,589	$ 55,063
Cost of sales	62,944	45,619
Expenses	12,371	9,141
Eq. in inc. of affil. company	(595)	(742)
Interest expense	1,784	1,555
Plant reloc. exp.	3,145	361
Loss before taxes	$ (3,060)	$ (871)
Tax credit	(1,592)	(727)
Loss - cont. oper.	$ (1,468)	$ (144)
Inc. - discont. oper.	1,527	—
Net Income (Loss)	$ 59	$ (144)

* Included in Costs and Expenses, Depreciation and Amortization: $1,979,000 in 1986 and $1,680,000 in 1985.

Assets
(000's)

As of Jan. 31	1986	1985
Cash & marketable securities	$ 744	$ 1,325
Accts. receiv., net	9,200	10,097
*Inventories	13,226	11,229
Prepaid expenses	1,562	616
Current Assets	$ 24,732	$ 23,267
Investments	4,056	3,868
#Fixed assets	18,905	14,820
Other assets	3,707	667
Intangibles	1,880	2,133
Total Assets	$ 53,280	$ 44,755

Liabilities
(000's)

Long-term debt, curr.	$ 1,027	$ 636
Accts. payable	6,174	5,518
Accruals	5,294	3,053
Income taxes	(562)	(1,096)
Curr. Liabilities	$ 11,933	$ 8,111
Long-term debt	21,389	16,861
Other liab.	608	247
Deferred inc. taxes	2,221	1,852
+ Common stock	232	232
Add. paid-in capital	12,817	12,603
Cum. trans. adjust.	(220)	(139)
Retained earnings	6,893	7,606
Treasury stock	(2,593)	(2,618)
Total Liabilities & Shareholders' Equity	$ 53,280	$ 44,755

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Sales	0.08	—
%Net Income to Equity	0.34	—
Sales to Inventories	5.79	4.90
Debt to Equity	1.31	0.99
Working Capital	$12,799,000	$15,156,000
Current Ratio	2.07	2.87
Shareholders' Equity	$17,129,000	$17,684,000

Eagle Computer, Inc.

7100 Chapman Avenue
Garden Grove, California 92641
(714) 891-2665

Officers: Gerard L. Kappenman, president & chief exec. officer; Richard N. Thunen, sr. v.p.-strategic planning; Richard A. Sergo, exec. v.p. & chief operating officer; Shelley B. Valk, v.p.-finance, secretary & chief financial officer; Edward L. Ryan, v.p.-sales; John Harwer, v.p.-marketing; Edmund Hornby, v.p.-international sales.

Directors: Gerard L. Kappenman, Richard N. Thunen.

Areas of Work: Designs, manufactures and markets a full line of 16-bit business desktop and portable microcomputer systems.

Transfer Agent(s):

Bank of America
San Jose, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EGLC

Number of Employees:

1985	82

Plant Footage:

1985	40,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 14,060,000	$ (10,138,000)
1984	48,418,000	(26,418,000)
1983	28,698,000	172,000
1982	5,964,000	(726,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1985	17,638,000	$ —
1984	14,621,000	—
1983	10,534,000	0.02
1982	7,236,000	—

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ (2,431,000)	$ —
1984	2,806,000	0.19
1983	29,007,000	2.75
1982	776,000	0.11

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

	6/29/85	6/30/84
Net sales	$ 14,060,400	$ 48,418,100
Cost of sales	14,742,200	39,430,700
Writedowns-inven. obsolescence	50,000	6,143,900
Expenses	7,156,500	18,722,800
Prov. for doubt. accts.	1,250,000	7,783,600
Loss due to discont. prod. line	—	2,375,000
Interest expense	985,700	708,600
Loss before taxes	$ (10,124,000)	$ (26,746,500):
Income taxes (credit)	13,600	(328,100)
Net Loss	$ (10,137,600)	$ (26,418,400)

* Included in Costs and Expenses, Depreciation and Amortization: $866,900 in 1985 and $570,100 in 1984.

Assets

As of	6/29/85	6/30/84
Cash & cash equiv.	$ 6,800	$ —
Accts. receiv., net	538,900	4,949,700
*Inventories	5,275,600	11,926,100
Other curr. assets	82,600	435,800
Current Assets	$ 5,903,900	$ 17,311,600
#Fixed assets	1 276,700	2,747,900
Deposits & other assets	178,400	415,000
Total Assets	$ 7,359,000	$ 20,474,500

Liabilities

	6/29/85	6/30/84
Notes payable	$ 1,276,500	$ 7,754,400
Accts. payable	2,034,200	8,936,300
Accrued payroll	316,100	359,100
Other accruals	713,700	627,700
Current Liabilities	$ 4,340,500	$ 17,668,500
Non-current obligations	5,449,300	—
+ Common stock	211,400	146,900
Add. paid-in capital	34,028,100	29,279,300
Accumulated deficit	(36,670,300)	(26,532,700)
Notes receivable	—	(87,500)
Total Liabilities & Shareholders' Equity	$ 7,359,000	$ 20,474,500

* At lower of cost (FIFO) for market.
# Less accumulated depreciation and amortization.
* $0.01 par value.

Eagle-Picher Industries, Inc.

580 Walnut Street
P.O. Box 779
Cincinnati, Ohio 45202
(513) 721-7010

Officers: Thomas E. Petry, president & chief executive officer; John W. Painter, exec. v.p.; Jack D. Grinton, group v.p.; James M. Dines, v.p.; John E. Powers, sr. v.p.; James A. Ralston, v.p. & general counsel; James G. Baird, J. Rodman Nall, Ernest H. Hirsh, v.p.'s; Charles S. Dautel, v.p. & secretary; David N. Hall, v.p. & treasurer; Joshua E. Adams, asst. treasurer; Carroll D. Curless, controller; David W. Matthews, Corinne M. Faris, asst. secretaries.

Directors: William D. Atteberry, Paul W. Christensen, Jr., Wickliffe Jones, Daniel W. LeBlond, John W. Painter, Charles S. Mechem, Jr., V. Anderson Coombe, Thomas E. Petry, Sidney J. Weinberg, Jr., Lloyd I. Miller, Richard T. Farmer.

Areas of Work: The Company's electronic activities include the development of special purpose battery systems for electrical vehicles, utility load leveling, and world-wide communications satellites; development of a data terminal system for industrial computers, new crystaline materials for semiconductor and infra-red applications.

Divisions and Subsidiaries:

Electronics Division
Joplin, Missouri
Special purpose batteries; high-precision metal products.

Specialty Materials Division
Quapaw, Oklahoma
Produces high-purity germanium, gallium, lithium, and boron materials for the nuclear and electronic industries.

Transfer Agent(s):

The First National Bank of Cincinnati
Cincinnati, Ohio

Stock Exchange(s): New York, Cincinnati

Ticker Symbol: EPI

Number of Employees:

1985	8,200	1982	7,000
1984	8,700	1981	9,700
1983	8,100		

Sales and Earnings

	Net Sales	Net Income
1985	$ 641,736,000	$ (119,899,000)
1984	663,929,023	28,142,115
1983	532,652,965	15,348,059
1982	531,452,143	11,389,982
1981	624,207,641	18,552,692

	No. of Com. Shares	Earn. per Share ‡
1985	9,491,000	$ —
1984	9,543,000	2.91
1983	9,529,000	1.58
1982	9,543,000	1.17
1981	9,632,000	1.88

(Loss)
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Basic materials & chemicals	$ 189,300	$ 206,200
Machinery & allied products	210,800	232,500
Transportation products	241,600	225,200
Total	$ 641,700	$ 663,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.04	—	—
1984	1.02	—	—
1983	0.96	—	—
1982	0.96	—	—
1981	0.96	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 107,702,000	$ 11.35
1984	239,158,247	25.06
1983	221,662,628‡	23.26
1982	217,027,329‡	22.74
1981	216,040,345‡	22.43

‡ After allowing for preference stock at a stated value of $33 per share.

Income Account *

Year ended Nov. 30	1985	1984
Net sales	$ 641,736,000	$ 663,929,023
Cost of sales	523,315,000	545,647,427
Expenses	57,089,000	57,966,618
Interest expense	8,023,000	7,290,208
Provision for losses on dispos. of prop.	14,825,000	—
Asbestos litigation	270,032,000	8,250,000
Other income	(7,349,000)	(5,467,345)
Inc. (loss) bef. taxes	$ (224,199,000)	$ 50,242,115
Income taxes (credit)	(104,300,000)	22,100,000
Net Income (Loss)	$ (119,899,000)	$ 28,142,115

* Included in Costs and Expenses, Depreciation and Amortization: $21,628,000 in 1985 and $22,530,090 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	$ 12,723,000	$ 34,220,336
Receiv., net	89,858,000	96,790,138
Income taxes receiv.	26,059,000	—
Due from insur. carriers	16,547,000	18,855,556
*Inventories	75,644,000	85,434,492
Prepaid expenses	8,492,000	3,576,505
Current Assets	$ 229,323,000	$ 238,877,027
#Fixed assets	139,727,000	146,862,017
Other assets	30,741,00	22,563,842
Deferred income taxes	68,463,000	—
Total Assets	$ 468,254,000	$ 408,302,886

Liabilities

	1985	1984
Long-term debt, curr.	$ 29,721,000	$ 4,815,562
Accts. payable	37,733,000	46,920,611
Accruals	25,672,000	22,555,764
Comp. & empl. benefits	8,275,000	8,330,567
Income taxes	2,836,000	1,880,516
Curr. Liabilities	$ 104,237,000	$ 84,503,020
Long-term debt	68,123,000	64,623,357
Other long-term liabilities	3,192,000	3,419,214
Deferred inc. taxes	—	16,599,048
Asbestos reserve	185,000,000	—
+ Common stock	12,500,000	12,500,000
Add. paid-in capital	2,500,000	2,754,879
For. curr. trans.	(391,000)	(445,310)
Retained earnings	103,670,000	233,452,187
Treasury stock	(10,577,000)	(9,103,509)
Total Liabilities & Shareholders' Equity	$ 468,254,000	$ 408,302,886

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.57
%Net Income to Sales	—	4.24
%Net Income to Equity	—	11.77
Sales to Inventories	8.48	7.77
Debt to Equity	0.91	0.29
Working Capital	$125,086,000	$154,374,007
Current Ratio	2.20	2.83
Shareholders' Equity	$107,702,000	$239,158,247

Eastman Kodak Company

343 State Street
Rochester, New York 14650
(716) 724-4000

Officers: Colby H. Chandler, chairman of the board & chief executive officer; Kay R. Whitmore, president; Dennis M. Deleo, v.p. & director-corporate commercial affairs; David J. Metz, v.p. & dir.-corp. communications; Robert B. Murray, v.p. & dir.-corp. planning; Herbert L. Rees, v.p.-corp. staff; J. Phillip Samper, exec. v.p. & gen. mgr.-Photographic Div.; Toy F. Reid, exec. v.p. & gen. mgr.-Eastman Chemicals Div.; Leo J. Thomas, sr. v.p. & gen. mgr.-Life Sciences Div.; Kendall M. Cole, sr. v.p. & general counsel; Paul L. Smith, sr. v.p. & dir.-finance & adm.; Donald E. Snyder, treasurer;

Eastman Kodak Company

Lowrie G. Piercy, general comptroller; William L. Sutton, sr. v.p. & dir.-corp. relations; John R. McCarthy, v.p.-corp. relations; Andrew Donovan, secretary; Edwin P. Przybylowitz, sr. v.p. & dir.-research; Cornelius J. Murphy, sr. v.p. & gen. mgr.-mfg.; Frank P. Strong, sr. v.p. & gen. mgr.-customer & marketing support operations.

Directors: Colby H. Chandler*, chairman; Walter A. Fallon, Juanita M. Kreps, Roger E. Anderson, Kendall M. Cole*, Robert S. Hatfield, Charles T. Duncan, Toy F. Reid*, John G. Smale, William L. Sutton*, Kay R. Whitmore*, J. Phillip Samper*, David S. Saxon, Paul L. Smith*, John F. Burlingame.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets still and motion picture cameras and projectors, lenses, microfilming units, and professional photographic equipment; photographic films, papers, plates and chemicals; business equipment and related products, including copier-duplicators; radiographic products; light-sensitive materials for scientific use, positive-working photoresists for fabricating circuit boards, duplicating plates for making negative copies of printed circuits; man-made fibers, industrial chemicals and plastics.

Divisions and Subsidiaries:

Photographic and Information Management Division

Life Sciences Division
  Bio-Products Division
  Laboratory & Research Products Division
  Pharmaceuticals Division

Clinical Products Division

Health Sciences Division

Mass Memory Division
Kodak Park Division
1669 Lake Avenue
Rochester, New York 14650
(716) 458-1000

Kodak Apparatus Division
901 Elmgrove Road
Rochester, New York 14650
(716) 724-4000

Business Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Motion Picture and Audiovisuals Products Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Consumer Products Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Graphics Imaging Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Photofinishing Systems Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Eastman Technology, Inc.
343 State Street
Rochester, New York 14650
(716) 724-4000

Professional Photography Division
343 State Street
Rochester, New York 14650
(716) 724-4000

Customer Equipment Services Division
800 Lee Road
Rochester, New York 14650
(716) 724-4000

Eastman Chemicals Division
343 State Street
Rochester, New York 14650
(716) 325-2000

Arkansas Eastman Company
P.O. Box 2357
Batesville, Arkansas 72501
(501) 698-1811

Carolina Eastman Company
P.O. Box 1782
Columbia, South Carolina 29202
(803) 794-9200

Tennessee Eastman Kodak
P.O. Box 511
Kingsport, Tennessee 37662
(615) 246-2111

Texas Eastman Company
P.O. Box 7444
Longview, Texas 75601
(214) 757-6611

Eastman Gelatine Corporation
227 Washington Street
Peabody, Massachusetts 01960
(617) 531-1700

Atex, Inc.
Bedford, Massachusetts

Kodak Canada Inc.
3500 Eglinton Avenue West
Toronto, Ontario, M6M 1V3 Canada
(416) 766-8233

Kodak Limited
P.O. Box 66
Kodak House
Station Road, Hemel Hempstead
Hertfordshire HP1 1JU, England

Kodak-Pathe
8-26 rue Villiot
75008-Paris, Cedex 12
France

Kodak A.G.
Postfach 369
7000 Stuttgart 60, Germany

Kodak (Australasia) Pty. Ltd.
173-3058 Elizabeth Street
Coburg, Victoria, Australia

Kodak Brasileira C.I.L.
Av. Brigadeiro Faria Limia, 1815, 7th Floor
Caixa Postal 225
Sao Paulo, 01000 Brazil
Eastman Kodak International Sales Corporation
Torrey Pines Realty Company, Inc.
Garlic Development Corporation
Kodak Programs, Inc.
Cyclotomics, Inc.
Diconix, Inc.
Ektron Applied Imaging, Inc.
Qualis Photofinishing Company
Eastman Chemical Products, Inc.
Holston Defense Corporation
Mustang Pipeline Company
Pinto Pipeline Company of Texas
Kodak International Management Corp.
Kodak Processing Laboratory, Inc.
Eastman Kodak Communications, Inc.
Eastman Chemical International Ltd.
Eastman Chemical Brasileira Ltda.
Eastman Chemical International, A.G.
Ectona Fibres Limited
Kodak Argentina, Ltd.
American Photo, S.A.
Kodak Chilena S.A.F.
Foto Interamericana de Colombia, Ltd.
Kodak Mexicana, Ltd.
Kodak Panama, Ltd.
Kodak Export Limited
Laboratorios Kodak Limitada
Foto Interamericana de Peru, Ltd.
Kodak Caribbean, Limited
Kodak Uruguaya, Ltd.
Foto Interamericana de Venezuela, S.A.

Acquisition(s):

Verbatim Corporation
  Manufacturer and marketer of flexible disks for use in computers and word processing systems.

Eikonix Corporation
  Designs and manufactures digital image-processing equipment.

Datatape Inc.
  Manufactures high-technology, digital & analog recording equipment.

Transfer Agent(s):

Chase Lincoln First Bank
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): New York, Midwest, Pacific, Boston, Phila-Balt-Wash, Paris, London

Ticker Symbol: EK

Number of Employees:

	U.S.	Worldwide
1985	89,200	128,950
1984	88,600	123,900
1983	86,000	125,500
1982	93,300	136,500
1981	91,900	136,400

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 10,631,000	$ 332,000
1984	10,600,000	923,000
1983	10,170,000	565,000
1982	10,815,000	1,162,000
1981	10,337,000	1,239,000

	No. of Com. Shares +	Earn. per Share #
1985	225,700,000	$ 1.46
1984	233,400,000	3.80
1983	248,400,000	4.75
1982	248,300,000	4.75
1981	243,70.0000	5.11

+ Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$2.43	—	3-for-2
1984	2.40	—	—
1983	2.37	—	—
1982	2.37	—	—
1981	2.33	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share #
1985	$ 6,562,000	$ 29.07
1984	7,137,000	30.58
1983	7,520,000	30.27
1982	7,541,000	30.37
1981	6,770,000	27.78

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/19/85	12/30/84
Net sales	$ 10,631,000	$ 10,600,000
Cost of sales	7,129,000	6,887,000
Expenses	2,378,000	2,166,000
Unusual charges	563,000	—
Oper. profit	$ 561,000	$ 1,547,000
Investment income	129,000	140,000
Total	$ 690,000	$ 1,687,000
Interest exp.	183,000	114,000
Other income	(23,000)	(51,000)

Income before taxes	$ 530,000	$ 1,624,000
Income taxes	198,000	701,000
Net Income	$ 332,000	$ 923,000

* Included in Costs and Expenses, Depreciation and Amortization: $838,000,000 in 1985 and $760,000,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 161,000	$ 192,000
Marketable securities	652,000	819,000
Receiv., net	2,346,000	2,050,000
*Inventories	1,940,000	1,758,000
Deferred inc. taxes	397,000	125,000
Prepaid expenses	181,000	187,000
Current Assets	$ 5,677,000	$ 5,131,000
#Fixed assets	5,977,000	5,389,000
Other assets	488,000	258,000
Total Assets	$ 12,142,000	$ 10,778,000

Liabilities
(000's)

Payables	$ 2,989,000	$ 1,828,000
Dividends payable	180,000	210,000
Income & other taxes	156,000	268,000
Curr. Liabilities	$ 3,325,000	$ 2,306,000
Long-term borrowings	488,000	409,000
Other liabilities	219,000	203,000
Deferred inc. taxes	1,048,000	723,000
+ Common stock	621,000	414,000
Add. paid-in capital	312,000	520,000
Retained earnings	6,710,000	6,931,000
Treasury stock	(1,081,000)	(728,000)
Total Liabilities & Shareholders' Equity	$ 12,142,000	$ 10,778,000

* At cost (LIFO) which is not in excess of market.
# Less accumulated depreciation.
+ $2.50 par value

Statistical Summary

%Income bef. Taxes to Sales	4.99	15.32
%Net Income to Sales	3.12	8.71
%Net Income to Equity	5.06	12.93
Sales to Inventories	5.48	6.03
Debt to Equity	0.15	0.06
Working Capital	$2,352,000	$2,825,000,000
Current Ratio	1.71	2.23
Shareholder's Equity	$6,562,000	$7,137,000,000

Eaton Corporation

Eaton Center
1111 Superior Avenue, N.E.
Cleveland, Ohio 44114
(216) 523-5000

Officers: E.M. de Windt, chairman of the board & chief executive officer; James R. Stover, president & chief operating officer; Stephen R. Hardis, exec. v.p.-finance & administration; Mellon C. Baird, president-Defense and Electronics Group; William E. Butler, president-Automotive Components Group; Robert W. Gillison, president-Truck Components Group; Alexander M. Cutler, president-Industrial Group; Alfred M. Rankin, Jr., exec. v.p.-operations; John M. Carmont, v.p. & treasurer; John D. Evans, v.p.-human resources; Gerald L. Gherlein, v.p. & general counsel; Herbert Hubben, v.p.-international; John W. Hushen, v.p.-government relations; William R. Kiessel, v.p.-manufacturing services; Ronald L. Leach, v.p.-accounting; John L. Forbis, v.p.-strategic planning; Brock Hattox, v.p. & controller; Warren B. Offutt, v.p.-technical management; Mark O. Hooton, v.p.-automotive marketing; Richard T. Sadler, v.p. & secretary; Floyd M. Wilkerson, v.p.-administration; Marshall Wright, v.p.-corporate affairs.

Directors: E.M. de Windt*, chairman of the board; Charles A. Anderson, Arthur Dole, III, Charles E. Hugel, Furman C. Moseley, Hooper G. Pattillo, Nicholas R. Petry, Samuel K. Scovil, James R. Stover*, Neil A. Armstrong, J. Donald Rauth, Stephen R. Hardis*, Virginia A. Dwyer, John R. Miller, Alfred M. Rankin, Jr.*.

* Member of the Executive Committee.

Operating Units:

Vehicle Components:

Truck Components

Mechanical transmissions, drive and trailer axles, brakes, locking differentials, engine valves, hydraulic valve lifters, tire valves, leaf springs, viscous fan drives, power steering pumps, thermostats, couplings, hose and tubing for the over-the-road truck industry.

Off-Highway Vehicle Components Group:

Mechanical and hydrostatic transmissions, forgings, drive axles, brakes, engine valves, hydraulic valve lifters, hydraulic motors, couplings, hose and tubing.

Passenger Car Components:

Engine valves, hydraulic valve lifters, leaf springs, emission control valves, viscous fan drives, differentials, speed controls, tire valves, thermostats, fasteners and automatic temperature controls.

Electronic and Electrical Group:

Automation Systems and Equipment

Semiconductor wafer fabrication and test equipment; hoisting equipment; electronic test instrumentation; electrical adjustable speed drives; automated materials handling systems and electromechanical/electronic control systems.

Capital Goods Components

Electromechanical and electronic control devices and assemblies; sensors and human interface devices; programmable controllers, switches, relays, counters, polymer hose, hydraulic motors, clutches, brakes and fasteners.

Aerospace and Defense Systems

Avionics and defense electronics; electronic countermeasures; air traffic/vessel traffic control systems; radar systems and aerospace power controls.

Consumer Goods Components

Electromechanical and electronic appliance controls; low-voltage power distribution equipment; switches and fasteners.

Transfer Agent(s):

AmeriTrust Company
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: ETN

Number of Employees (at fiscal year end):

1985	41,134	1982	37,485
1984	42,709	1981	43,501
1983	38,883		

Sales and Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1985	$ 3,674,500	$ 230,900
1984	3,509,800	254,400
1983	2,674,100	93,311
1982	2,452,600	(189,600)
1981	2,841,600	82,400

	No. of Com. Shares	Earn. per Share #
1985	32,829,000	$ 7.01
1984	32,580,000	7.85
1983	32,020,359	3.06
1982	28,771,656	—
1981	27,301,831	3.01

(Loss)
‡ Of continuing operations only.
# Based on the monthly average number of shares outstanding during each year.

Revenues By Line of Business
(000's)

	1985	1984
Electronic & electrical	$ 2,139,000	$ 1,804,000
Vehicle components	1,553,000	1,721,000
Intersegment sales	(17,000)	(15,000)
Total	$ 3,675,000	$ 3,510,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.35	—	—
1984	1.10	—	—
1983	0.80	—	—
1982	1.72	—	—
1981	1.72	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1985	$1,383,000,000	$ 42.13
1984	1,188,600,000	36.48
1983	973,341,000	30.40
1982	789,460,275	27.44
1981	1,001,373,445	36.68

† After allowing for preferred stock at liquidation values.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,674,500	$ 3,509,800
Cost of sales & expenses	3,309,000	3,104,100
Interest expense	58,500	51,800
Earn. of fin. subsid.	(700)	(900)
Interest income	(49,000)	(41,700)
Other income	(29,600)	(14,600)
Income bef. taxes	$ 386,500	$ 411,100
Income taxes	155,600	156,700
Net Income	$ 230,900	$ 254,400

* Included in Costs and Expenses, Depreciation and Amortization: $96,100,000 in 1985 and $91,700,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 10,600	$ 6,000
Short-term securities	565,900	486,700
Accts. receiv., net	696,400	562,700
*Inventories	448,200	461,700
Other curr. assets	122,000	167,900
Current Assets	$ 1,843,100	$ 1,685,000
Investments in finance subsid.	47,800	41,900
#Fixed assets	749,900	727,700
Other assets	85,200	69,400
Intangibles	88,200	87,900
Total Assets	$ 2,814,200	$ 2,611,900

Liabilities
(000's)

Long-term debt, curr.	$ 11,000	$ 7,900
Short-term debt	23,900	28,900
Accts. payable	172,300	214,700
Payrolls & other accruals	323,500	316,000
Taxes	41,400	62,200
Curr. Liabilities	$ 572,100	$ 629,700
Long-term debt	436,200	441,100
Other liab.	207,900	190,600
Deferred inc. taxes	202,700	148,800
+ Serial pref. stock	200	300
+ + Common stock	16,400	16,300

Eaton Corporation

Add. paid-in capital	327,400	314,900
Retained earnings	1,128,700	961,900
For. curr. trans. adj.	77,400	91,700
Total Liabilities & Shareholders' Equity	$ 2,814,200	$ 2,611,900

* At lower of cost (FIFO; LIFO for certain domestic inventories) or market.
# Less accumulated depreciation and amortization.
+ $0.50 stated value.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.52	11.71
%Net Income to Sales	6.28	7.25
%Net Income to Equity	16.55	21.17
Sales to Inventories	8.20	7.60
Debt to Equity	0.34	0.40
Working Capital	$1,271,000,000	$1,055,300,000
Current Ratio	3.22	2.68
Shareholders' Equity	$1,395,300,000	$1,201,700,000

Echlin Inc.

100 Double Beach Road
Branford, Connecticut 06405
(203) 481-5751

Officers: Frederick J. Mancheski, chairman of the board & chief exec. officer; David H. Spiller, v.p., secretary & general counsel; Carmen J. Matti, v.p.-manufacturing; Richard B. Patterson, v.p.-finance; Charles W. O'Connor, asst. secretary; Richard A. Wisot, treasurer; Robert F. Tobey, v.p.-corp. development; Andrew J. Mazzaralla, corp. controller; Kenneth T. Flynn, Jr., asst. corp. controller; Joseph A. Onorato, asst. treasurer.

Directors: Frederick J. Mancheski, chairman of the board; J. William Jaspersen, John E. Echlin, John E. Echlin, Jr., Milton P. DeVane, Eugene J. Muldoon, Raymond G. Dowsett, John F. Gustafson, Phillip S. Myers, Clarence E. Johnson, Larry W. McCurdy

Areas of Work: Manufactures parts and supplies used to maintain or improve the efficiency and safety of motor vehicles including automotive electronic, electro-mechanial, cooling system and fuel system parts. Safety products include hydraulic brake parts, air brake parts, controllers for electric brakes, and additional safety-related products.

Divisions and Subsidiaries:

Ace Electric Company, Inc.
Kansas City, Missouri
Columbus, Kansas

Automotive Controls Corp
Branford, Connecticut
Independence, Kansas

Blackstone Manufacturing Company
Chicago, Illinois

Brake Parts Company
McHenry & Litchfield, Illinois

Lift Parts Mfg. Co.
Des Plaines, Illinois

Echlin of Puerto Rico
Ponce, Puerto Rico

Midland Brake, Inc.
Kansas City, Missouri
Paris, Tennessee
Owosso, Michigan

Sensor Engineering Company
Hamden, Connecticut

Tekonsha Engineering Company
Tekonsha, Michigan

Roto-Master, Inc.
North Hollywood, California

BWD Automotive of Puerto Rico, Inc.
San Juan, Puerto Rico

BWD International
Franklin Park, Illinois

Berg Manufacturing (U.K.) Ltd.
Blackburn, England

Graubremse GmbH
Heidelberg, West Germany

Echlin Charger Manufacturing Company (Pty.) Limited
Johannesburg, South Africa

Echlin Mexicana S.A. de C.V.
Mexico City, Mexico

Echlin de Venezuela, C.A.
Caracas, Venezuela

Echlin do Brasil, S.A.
Sao Paulo, Brazil

Echlin Australia (Pty.) Ltd.
Melbourne, Australia

Echlin Canada Inc.
Toronto, Canada

Ristance Corporation
Mishawaka, Indiana
Manufactures wire and cable products

Sierra Supply Company
Litchfield, Illinois

Ajax Die Casting
Broken Arrow, Oklahoma
Aluminum die casting company

BWD Automotive Corporation
Franklin Park and Ottawa, Illinois

Echlin Sales/International
Branford, Connecticut

Pacer Industries
Pensacola, Florida
Washington, Missouri

Brake Systems, Inc.
Stratford, Connecticut
Peterborough, Ontario, Canada

Continental Hydraulic Hose Corp.
Upper Sandusky, Ohio

Transfer Agent(s):

The Connecticut Bank and Trust Company
Hartford, Connecticut

Stock Exchange(s): New York, Pacific

Ticker Symbol: ECH

Number of Employees:

1985 ..... 10,100 1983 7,800
1984 9,200

Plant Footage:

1985 ...... 4,644,000 sq. ft. 1983 316,000
1984 3,400,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 771,390,000	$ 45,603,000
1984	688,971,000	43,820,000
1983	564,497,000	30,732,000
1982	490,567,000	26,532,000
1981	415,747,000	12,737,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	41,609,000	$ 1.10
1984	41,393,000	1.06
1983	41,072,000	0.75
1982	40,932,000	0.65
1981	36,600,000	0.35

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.41	—	2-for-1
1984	0.35	—	—
1983	0.30	—	—
1982	0.27	—	—
1981	0.26	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 289,721,000	$ 6.95
1984	260,855,000	6.28
1983	232,073,000	5.63
1982	211,915,000	5.18
1981	199,867,000	4.86

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Aug. 31	1985	1984
Net sales	$ 771,390	$ 688,971
Cost of sales	533,195	476,033
Expenses	155,233	136,428
Interest expense	11,155	7,490
Interest income	(7,770)	(6,997)
Eq. in loss of Raymark	2,931	—
Income before taxes	$ 76,646	$ 76,017
Income taxes	31,043	32,197
Net Income	$ 45,603	$ 43,820

* Included in Costs and Expenses, Depreciation and Amortization: $16,612,000 in 1985 and $14,088,000 in 1984.

Assets
(000's)

As of Aug. 31	1985	1984
Cash	$ 17,416	$ 12,367
Accts. receiv.	91,215	104,390
*Inventories	224,691	178,950
Other assets	9,437	4,054
Current Assets	$ 342,759	$ 299,761
#Fixed assets	137,869	106,191
Market. secur.	48,847	46,803
Other assets	44,571	19,645
Total Assets	$ 574,046	$ 472,400

Liabilities
(000's)

Notes payable	$ 7,775	$ 2,391
Long-term debt, curr.	3,503	3,346
Accts. payable	47,724	44,810
Accrued payroll	19,472	17,915
Other accruals	41,466	26,074
Income taxes	27,594	28,541
Curr. Liabilities	$ 147,534	$ 123,077
Long-term debt	117,573	72,947
Deferred inc. taxes	19,218	15,521
+ Common stock	41,955	21,035
Add. paid-in capital	65,988	85,850
Retained earnings	190,317	161,772
For. curr. trans. adj.	(5,544)	(4,807)
Treasury stock	(2,995)	(2,995)
Total Liabilities & Shareholders' Equity	$ 574,046	$ 472,400

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.94	11.03
%Net Income to Sales	5.91	6.36

%Net Income to Equity	15.74	16.80
Sales to Inventories	3.43	3.85
Debt to Equity	0.44	0.30
Working Capital	$195,225,000	$176,684,000
Current Ratio	2.32	2.44
Shareholders' Equity	$289,721,000	$260,855,000

EDO Corporation

14-04 111th Street
College Point, New York 11356-1434
(718) 445-6000

Officers: William R. Ryan, chairman of the board; Gerald Albert, president & chief exec. officer; Michael J. Hegarty, v.p.-finance, secretary & treasurer; Robert L. Richards, v.p.-corp. development.

Directors: Earl D. Osborn, William R. Ryan, Michael J. Hegarty, Robert A. Lapetina, H. Struve Hensel, James T. Pyle, Richard Rachals, Gerald Albert, James S. Coles, John H. Meyn, Ralph O. Romaine, Frank Fariello.

Areas of Work: Produces electronic systems and equipment, electro-mechanical devices and fiber reinforced composites for civil and military aviation, ocean navigation and underwater detection, surveillance and exploration.

Divisions:

Government Systems Division
14-04 111th Street
College Point, New York 11356-1434
(718) 445-6000

Washington Office
2001 Jefferson Davis Highway
Arlington, Virginia 22202
(703) 521-5260

Encompasses an integrated capability for total system development from initial concept through research and engineering, manufacturing and life cycle logistic support; shipboard sonar products, such as the variable depth sonar; the helicopter towed hydrofoil sea sled, and other products in the fields of antisubmarine warfare, airborne mine countermeasures systems, aircraft ejection release units, and seaplane floats.

Western Division
2645 South 300 West
Salt Lake City, Utah 84115-2968
(801) 486-7481

Oceanograhic and marine navigation instrumentation; sonar doppler navigation equipment; graphic recorders, piezoelectric ceramics, acoustic devices, underwater video systems and equipment.

Fiber Science, Division
F.O. Box 535227
506 North Billy Mitchell Road
Salt Lake City, Utah 84116-5227
(801) 537-1800

Engaged in the filament winding of reinforced plastic composites for commercial aircraft water and waste system tanks, ducting and fitting; the development of hardware for military helicopters and aircraft; plastic products such as chemical tanks, fish farming equipment and molded fiberglass building units.

Acquisition(s):

Almondbury, Ltd.
England

Mine countermeasure systems.

Transfer Agent(s):

Fidata Trust Company of New York
675 Broad Street
New York, New York 10004

Stock Exchange(s): New York

Ticker Symbol: EDO

Number of Employees:

1985	1,330	1982	1,397
1984	1,442	1981	1,855
1983	1,417		

Plant Footage:

1985	652,000 sq. ft.	1982	899,000
1984	672,000	1981	805,000
1983	672,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 116,152,000	$ 8,061,000
1984	122,877,000	11,835,000
1983	110,550,000	10,067,000
1982	101,794,000	(1,678,000)
1981	92,478,000	3,292,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	8,000,000	$ 1.01
1984	8,600,000	1.38
1983	8,225,000	1.22
1982	7,650,000	—
1981	8,807,000	0.37

+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1985	1984
Military systems	$ 85,530,000	$ 84,563,000
Marine systems & spec. prod	30,622,000	38,314,000
Total	$ 116,152,000	$ 122,877,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.27	—	—
1984	0.23	—	—
1983	0.19	50%&50% ‡	—
1982	0.15	50%	—
1981	0.11	10%	—

+ Adjusted to reflect stock dividends.
‡ Paid Feb. 23, 1984.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 58,694,000	$ 7.34
1984	68,962,000	8.49
1983	62,751,000	7.52
1982	22,031,000	3.27
1981	36,435,000	4.19

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 116,152,000	$ 122,877,000
Interest income	6,676,000	10,173,000
Other income	140,000	159,000
Total income	$ 122,968,000	$ 133,209,000
Cost of sales	94,719,000	95,496,000
Expenses	8,055,000	10,138,000
Research & devel.	3,195,000	3,205,000
Pension plans	2,374,000	2,687,000
Interest expense	465,000	507,000
Income before taxes	$ 14,160,000	$ 21,176,000
Income taxes	6,099,000	9,341,000
Net Income	$ 8,061,000	$ 11,835,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,453,000 in 1985 and $3,134,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 66,596,000	$ 96,706,000
Income taxes	—	1,937,000
Accts. receiv., net	19,486,000	17,256,000
*Inventories	19,804,000	18,261,000
Prepaid expenses	298,000	306,000
Current Assets	$ 106,184,000	$ 134,466,000
#Fixed assets	28,627,000	22,539,000
Defer. charges & other assets	4,087,000	1,225,000
Total Assets	$ 138,898,000	$ 158,230,000

Liabilities

Notes payable	$ 2,149,000	$ —
Long-term debt, curr.	642,000	625,000
Accts. payable & accruals	15,154,000	12,670,000
Contract advances & deposits	37,243,000	56,276,000
Income taxes	1,655,000	—
Curr. Liabilities	$ 56,843,000	$ 69,571,000
Long-term debt	4,464,000	3,710,000
Deferred inc. taxes	18,897,000	15,987,000
+ Common stock	8,454,000	8,454,000
Add. paid-in capital	33,474,000	33,981,000
Retained earnings	37,444,000	31,426,000
Treasury stock	(20,678,000)	(4,593,000)
Long-term incent. plan	—	(306,000)
Total Liabilities & Shareholders' Equity	$ 138,898,000	$ 158,230,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.19	17.23
%Net Income to Sales	6.94	9.63
%Net Income to Equity	13.73	17.16
Sales to Inventories	5.87	6.73
Debt to Equity	0.09	0.06
Working Capital	$49,341,000	$64,895,000
Current Ratio	1.87	1.93
Shareholders' Equity	$58,694,000	$68,962,000

EECO Incorporated

(formerly Electronic Engineering
Company of California)

P.O. Box 659
1601 East Chestnut Avenue
Santa Ana, California 92702
(714) 835-6000

Officers: Robert C. Milo, president & chief exec. officer; Burgess Dempster, chairman of the board; Robert B. Bonney, vice chairman; A.W. Finamore, v.p., chief financial officer & secretary; Robert F. Meinicke, v.p. & div. mgr.-Component Products Division; Robert W. Allen, v.p.-administration; Carl Jeremias, v.p. & president-EECO Computer, Inc.; John M. Ludutsky, v.p. & div. mgr.-Video Products Division.

Directors: Burgess Dempster, chairman; John F. Bishop, R.B. Bonney, Robert C. Milo, Ruel C. Mercure, Jr., J.J. Shelton, William J. Bowers.

Areas of Work: Develops and manufactures passenger entertainment controls for airlines; thumbwheel and membrane switches; electronic packaging hardware, programming "software" and panel wiring services, modular socket assemblies and companion card files; punched tape readers; electronic video/audio editing equipment; editing equipment; telecommunications equipment; hotel computer systems.

Divisions and Subsidiaries:

Maxi Switch Company
9697 East River Road
Minneapolis, Minnesota 55433
(612) 755-7660

Manufactures keyboards for use with computers, communications equipment and electronic cash registers.

Membrane Switch Operations
5436 West Latham Street
Phoenix, Arizona 85043
(602) 272-5645

Manufacture of membrane switch panels.

EECO Computer, Inc.
1441 East Chestnut Avenue
Santa Ana, California 92702
(714) 835-6000

Designs, markets and services computer systems for hotels, resorts and convention centers.

EECO Incorporated

EECO Ltd.
Trafalgar Way
Bar Hill, Cambridge
CB3 8SQ, England

Assembly of Maxi-Switch keyboards for sale in the European market.

Components Products Division

Video Products Division

Transfer Agent(s):

U.S. Stock Transfer Corp
1745 Gardena Avenue
2nd Floor
Glendale, California 91204

Stock Exchange(s): American

Ticker Symbol: EEC

Number of Employees:

1985	748	1982	702
1984	778	1981	711
1983	643		

Sales and Earnings

	Net Sales	Net Income
1985	$ 54,315,000	$ 1,621,000
1984	46,418,000	1,244,000
1983	35,284,000	1,055,000
1982	35,282,000	(659,000)
1981	36,124,000	1,162,000

	No. of Com Shares #	Earn per Share #
1985	2,546,000	$ 0.64
1984	2,570,000	0.48
1983	2,560,157	0.41
1982	2,530,622	—
1981	2,530,261	0.46

Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Switch prods.	$24,748	45%	$24,424	53%
Air transport prods.	13,987	26	9,072	20
Mini-computer	13,508	25	11,777	25
Video prods.	2,072	4	1,145	2
Total	$54,315	100%	$46,418	100%

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.32	—	—
1984	0.32	—	—
1983	0.29	—	—
1982	0.28	—	—
1981	0.25	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 21,772,000	$ 8.55
1984	20,535,000	7.99
1983	20,065,000	7.84
1982	19,531,000	7.72
1981	20,886,000	8.25

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 54,315,000	$ 46,418,000
Cost of sales	33,396,000	28,438,000
Res. and develop.	3,385,000	4,273,000
Expenses	14,175,000	13,519,000
Interest expense	682,000	92,000
Income before taxes	$ 2,677,000	$ 96,000
Income taxes (credit)	1,056,000	(1,148,000)
Net Income	$ 1,621,000	$ 1,244,000

*Included in Costs and Expenses, Depreciation: $2,347,000 in 1985 and $2,168,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 804,000	$ 607,000
Accts. receiv., ne.	8,257,000	6,522,000
*Inventories	11,098,000	9,959,000
Prepaid expenses	329,000	234,000
Deferred taxes	720,000	503,000
Current Assets	$ 21,208,000	$ 17,825,000
#Fixed assets	13,691,000	11,884,000
Intangibles	2,788,000	2,861,000
Other assets	442,000	608,000
Total Assets	$ 38,129,000	$ 33,178,000

Liabilities

Long-term debt, curr	$ 273,000	$ 70,000
Accts. payable	2,785,000	2,217,000
Notes payable	1,497,000	1,675,000
Income taxes	1,275,000	—
Accrued payroll	1,486,000	1,431,000
Amount due for cos. acq	—	800,000
Accrued group insur	246,000	292,000
Other liabilities	1,305,000	1,327,000
Curr. Liabilities	$ 8,867,000	$ 7,812,000
Long-term debt	6,123,000	3,822,000
Deferred inc. taxes	1,367,000	1,009,000
+ Common stock	6,059,000	5,793,00
Retained earnings	15,812,000	14,998,000
Eq. adjust. from for. curr. trans	(99,000)	(256,000)
Total Liabilities & Shareholders' Equity	$ 38,129,000	$ 33,178,000

* At lower of average cost or market (net realizable value)
# Less accumulated depreciation
+ No par value

Statistical Summary

%Income bef. Taxes to Sales	4.93	0.21
%Net Income to Sales	2.98	2.68
%Net Income to Equity	7.45	6.06
Sales to Inventories	4.89	4.66
Debt to Equity	0.36	0.27
Working Capital	$12,341,000	$10,013,000
Current Ratio	2.39	2.28
Shareholders' Equity	$21,772,000	$20,535,000

EG&G, Inc.

45 William Street
Wellesley, Massachusetts 02181
(617) 237-5100

Officers: Dean W. Freed, chairman, president & chief exec. officer; John M. Kucharski, exec. v.p.; David J. Beaubien, Charles C. Francisco, Joseph Giuffrida, George H. Gage, sr. v.p.'s; John K. Buckner, sr. v.p.-finance; Harold D. Cunningham, William T. Barrett, Arthur Bisberg, Philip C. Kautt, Daniel F. Riley, Charles M. Williams, Peter H. Zavattaro, Louis P. Valente, v.p.'s; Leo M. Kelly, v.p., general counsel & clerk; Peter A. Broadbent, treasurer; John R. Dolan, controller.

Directors: Bernard J. O'Keefe, Dean W. Freed, Kent F. Hansen, Roderick M. MacDougall, John N. Philips, William F. Pounds, Joseph F. Turley, Robert F. Goldhammer, John B. Gray, G. Robert Tod.

Divisions and Subsidiaries:

INSTRUMENTS

ORTEC Incorporated
100 Midland Road
P.O. Box C
Oak Ridge, Tennessee 37830
(615) 482-4411

Radiation detectors and associated electronics for nuclear research, radiation monitoring, materials analysis, and industrial quality control.

Princeton Applied Research Corporation
7 Roszel Road
P.O. Box 2565
Princeton, New Jersey 08540
(609) 452-2111

Electronic signal detectors and analyzers for plasma research, fiberoptic measurements, laser diagnostics and quality control in the manufacture of semiconductors and magnetic recording media. Electrochemical instruments for analysis of wastewater, foods and medicine, and corrosion rates.

Geometrics, Inc.
395 Java Drive
P.O. Box 497
Sunnyvale, California 94086
(408) 734-4616

Geophysical survey instrumentation. Specifically, airborne and marine magnetometers, gammaray spectrometers, seismographs, and related recording equipment. Slim-hole logging instruments for natural resource exploration. Airborne surveys for mineral and energy-resource exploration.

EG&G Environmental Equipment Division
151 Bear Hill Road
Waltham, Massachusetts 02254
(617) 890-3710

Side-scan sonar systems and related instruments for the military and for academic institutions involved in oceanography and geophysics. Dewpoint hygrometers used by industry to monitor moisture in gases.

EG&G Chandler Engineering Company
7707 East 38th Street
Tulsa, Oklahoma 74145
(918) 627-1740

High-pressure, high-temperature testers for oil well cement and drilling fluids used in energy production. Precision pressure calibration instruments.

EG & G Ocean Products
Cataumet, Massachusetts

Oceanographs instruments. Specifically, acoustic releases, conductivity-temperature-depth systems, current meters, transponer navigation systems, and laboratory standards equipment for the military, academic institutions, and industry.

COMPONENTS

Rotron Incorporated
7 Hasbrouck Lane
Woodstock, New York 12498
(914) 679-2401

Fans and blowers for cooling electronic equipment and for industrial applications. Motors and related drive systems for computer peripherals and industrial machinery. Power supplies for military and industrial uses. Protective enclosures for printed circuit boards. Heat-transfer devices for semiconductor cooling and systems for testing integrated-circuit devices.

EG&G Fluid Components Technology Group
Warwick, Rhode Island

Seals and bellows devices from EG&G Sealol used in systems involving engines, motors, gearboxes, pumps, and compressors. Applications in aerospace, marine, military, petrochemical, chemical processing, and other industrial markets. Tensioner systems for manway covers in nuclear plants. Solenoid and mechanical valves from EG&G Wright Components for aerospace and defense applications. Precision metal gaskets for jet engines and flexible ducting for the aircraft industry from EG&G Pressure Science.

EG&G Electron Devices Group

EG&G, Inc.
Electro-Optics Division
35 Congress Street
Salem, Massachusetts 01970
(617) 745-3200

Flashtubes and power supplies for phototypesetters, office copiers, laser scribers, and microfilm equipment and for use in stroboscopy, material curing, beaconry and laser-fusion research. Silicon photodiodes and instruments for detecting and measuring light. Instruments and systems to measure optical radiation. Precision timers. Automate light-sensing switches.

EG&G Frequency Products
Salem, Massachusetts

Precision frequency-control devices for military and some commercial applications. Specifically, rubidium atomic frequency standards, crystals and crystal-based oscillators, precision filters, discriminators, and equalizers.

Reticon Corporation
345 Potrero Avenue
Sunnyvale, California 94086
(408) 738-4266

Signal processing devices for communications, computer, musical-instrument, and speech-recognition applications. Modem filters for data communications. Photodiode arrays for optical character recognition and facsimile transmission and image sensors for industrial quality, and process control. Camera sensor systems for industrial automation, robotics, and noncontact measurement inspection, and control.

EG&G Vactec
St. Louis, Missouri

Custom, commercial optoelectronic components for street light controls, television brightness controls, and slide projectors. Photodiodes used in smoke detectos, cameras, and medical and chemical instruments. Sensing devices used in photocopiers, computer peripherals, and industrial controls.

ENVIRONMENTAL AND BIOMEDICAL TESTING SERVICES

EG&G Automotive Research, Inc.
5404 Bandera Road
San Antonio, Texas 78238
(512) 684-2310

Service to the automotive and petroleum industries and to the federal government by means of mobile and stationary testing of passenger cars, trucks, motorcycles, fuels, lubricants, automotive components, and vehicle emissions.

EG&G Mason Research Institute, Inc.
57 Union Street
Worcester, Massachusetts 01608
(617) 791-9831

Biomedical research support services. Commercial toxicology and studies in reproductive physiology an drug abuse. *In vivo* testing to evaluate the effectiveness of products developed for cancer treatment.

CUSTOM SERVICES AND SYSTEMS

EG&G Florida, Inc.
410 Highpoint Drive
Cocoa, Florida 32926
(305) 631-7300

Institutional and technical support services to NASA's Kennedy Space Center. Management of technical operations, administrative services, utilities, facilities, and health and safety services at KSC.

EG&G Space Systems
Titusville, Florida

Advanced high technology studies applied to NASA's ongoing launch operations. Development of commercial opportunities through space station and shuttle programs.

EG&G Washington Analytical Services Center, Inc.
1396 Piccard Drive
Rockville, Maryland 20850
(301) 840-3000

Planning, engineering, management support to U.S. defense, energy, and space programs. Scientific instrumentation and field support on military programs being conducted by the U.S. and by foreign governments.

EG&G Services, Inc.
P.O. Box 2266
185 South Capital Avenue
Idaho Falls, Idaho 83403
(208) 429-8700

Scientific support to the nuclear industry and to others in government and industry requiring high-technology applications engineering. Engineering related to the U.S. Air Force Space Shuttle launch program.

EG&G, Inc.
Electronic Components Division
35 Congress Street
Salem, Massachusetts 01970
(617) 745-3200

High-reliability electronic components (thyratrons, sprytrons, krytrons, spark gaps, and over-voltage gaps) and associated assemblies for defense and energy programs and for industrial applications.

EG&G Safeguards & Security
Albuquerque, New Mexico

Design, engineering, and installation of high-tech electronic security systems for government and industrial sites. Management services for risk assessment, avoidance/mitigation, crisis procedures; security testing, training, and evaluation.

EG&G Special Projects, Inc.
2755 E. Desert Inn Road
P.O. Box 15110 (Zip 89114)
Las Vegas, Nevada 89121
(702) 369-3000

Technical and field support to Department of Defense agencies.

DEPARTMENT OF ENERGY SUPPORT

EG&G Idaho, Inc.
PO Box 1625
Idaho Falls, Idaho 83415
(208) 526-0111

Support to nuclear and non-nuclear energy programs at the Idaho National Engineering Laboratory. Management and operation of facilities for research and development in reactor safety, materials irradiation, fusion safety, and nuclear-waste management.

EG&G Energy Measurements, Inc.
Las Vegas Operations
2621 N. Losee Road (North Las Vegas)
P.O Box 1912
Las Vegas, Nevada 89125
(702) 295-5511

Technical and scientific support in nuclear weapons effects testing and in non-nuclear energy programs. Airborne radiation surveillance and remote sensing.

Reynolds Electrical & Engineering Co., Inc.
2501 Wyandotte Street
P.O. Box 14400
Las Vegas, Nevada 89114
(702) 295-3379

Management and support functions at DOE's Nevada Test Site. Services including electrical and architectural engineering facility and road construction and maintenance, nuclear-waste management, large-diameter and conventional drilling, mining and tunneling, radiation monitoring, medical and health care, communications, occupational safety, fire protection, and dosimetry and fall-out research.

Acquisition(s):

Cirtech Corporation Pressure Science, Inc.

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: EGG

Number of Employees:

1985	23,000	1982	18,700
1984	22,000	1981	18,000
1983	19,900		

Plant Footage:

1985	N.A.	1982	3,520,945
1984	3,800,000 sq. ft.	1981	3,351,480
1983	3,400,800		

N.A. - Not Available.

Sales and Earnings

	Net Sales ‡	Net Income
1985	$1,177,117,000	$ 55,708,000
1984	1,099,471,000	53,539,000
1983	928,340,000	46,645,000
1982	828,944,000	39,854,000
1981	739,714,000	35,149,000

	No. of Com. Shares +	Earn. per Share +
1985	26,955,000	$ 2.07
1984	28,541,000	1.88
1983	29,955,673	1.56
1982	29,411,074	1.36
1981	29,091,764	1.21

‡ Includes contract revenues.
+ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Instruments	$ 110,963,000	$ 104,052,000
Components	323,052,000	298,830,000
Environmental & biomedical service	45,078,000	49,335,000
Custom svcs. & systems	318,003,000	288,435,000
Dept. of energy tech. support	364,623,000	341,412,000
Investments	15,398,000	17,407,000
Total	$1,177,117,000	$1,099,471,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.48	—	—
1984	0.40	—	—
1983	0.36	—	—
1982	0.32	—	—
1981	0.25	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 203,401,000	$ 7.55
1984	149,846,000	5.25
1983	215,208,000	7.18
1982	176,666,000	6.01
1981	141,453,000	4.86

Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales & contract revenues	$ 1,177,117	$ 1,099,471
Cost of sales	943,025	878,269
Expenses	130,137	120,825
Other expense	15,390	15,395
Income before taxes	$ 88,565	$ 84,982
Income taxes	32,857	31,443
Net Income	$ 55,708	$ 53,539

* Included in Costs and Expenses, Depreciation and Amortization: $15,124,000 in 1985 and $13,002,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash & short-term invest.	$ 17,374	$ 18,326
Accts. receiv., net	161,755	147,656
*Inventories	75,757	70,829
Other curr. assets	13,505	8,249
Current Assets	$ 268,391	$ 245,060
#Fixed assets	40,059	32,769
Other assets	121,361	109,494
Total Assets	$ 429,811	$ 387,323

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 62,265	$ 81,368
Acct. payable	40,534	41,028
Accruals	60,725	61,656
Income taxes	20,713	20,840

EG&G, Inc.

Curr. Liabilities	$ 184,237	$ 204,892
Long-term debt	15,767	15,256
Deferred inc. taxes	17,976	12,649
Other liabilities	8,430	4,680
+Common stock	27,431	30,494
Add. paid-in capital	13,352	16,743
Retained earnings	173,378	219,070
Cum. trans. adjust.	(3,963)	(6,049)
Treasury stock	(6,797)	(110,412)
Total Liabilities & Shareholders' Equity	$ 429,811	$ 387,323

* At lower of cost (primarily LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.52	7.93
%Net Income to Sales	4.73	5.00
%Net Income to Equity	27.39	35.73
Debt to Equity	0.38	0.64
Working Capital	$ 84,154,000	$ 40,168,000
Current Ratio	1.46	1.20
Shareholders' Equity	$203,401,000	$149,846,000

E-H International, Inc.

696 East Trimble Road
San Jose, California 95131
(408) 946-9100

Officers: Reginald R. Kearton, chairman; W.W. Vallandigham, vice-chairman; William F. Mahoney, president & chief exec. officer; Gary L. Irvine, president-E-H Electronics; George D. Rivers, president-MiniComputer Technology; John M. Peterson, v.p., chief financial officer & asst. corp. secretary; G. Richard Peterson, president-Golden Technology, Inc.; Frederick J. Anderson, president-Tylus Systems, Inc.; Kenneth S. Carey, corporate secretary.

Directors: Kenneth S. Carey, Reginald R. Kearton, William Lashlee, Frederick J. Anderson, John R. Fitzgerald, G. Richard Peterson, W.W. Vallandigham, William R. Mahoney.

Areas of Work: Manufactures and markets high technology automatic test instrumentation, state-of-the-art computer disk and tape controllers, and multi-layer printed circuit boards. E-H Oakland division designs and manufactures pulse generators, waveform analyzers and microwave counters for use by the semiconductor, military/aerospace, and computer industries as components in automatic test equipment (ATE) systems. MiniComputers Technology designs computer peripheral controllers which interface OEM minicomputers to a wide variety of disk and tape drives. These products are sold entirely to OEMs. Golden Technology manufactures state-of-the-art custom double-sided and multi-layer printed circuit boards for large OEMs, and also provides engineering prototype printed circuit board services through Golden Engineering.

Operating Groups:

E-H Oakland
7303 Edgewater Drive
Oakland, California 94621
(415) 638-5656

Mini Computer Technology, Inc.
696 East Trimble Road
San Jose, California 95131
(408) 942-1616

Golden Technology, Inc.
3745 Edward Avenue
Santa Clara, California 95050
(408) 988-5161

E-H International, Inc.
125 Highgrove Street
Reading, Berkshire RGI 5EN
United Kingdom

Acquisition(s):

Tylus Systems, Inc.
4940 East La Palma Avenue
Anaheim, California 92807
(714) 970-9321
Manufactures, designs and sells custom electronic systems.

Transfer Agent(s):
Bank of America
Corporate Agency Division
201 Mission Street
San Francisco, California 94105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EHIL (NASDAQ)

Number of Employees:

1984	238

Plant Footage:

1984	83,950 sq. ft.

Sales and Earnings ‡

	Revenues	Net Income
1984	$ 25,416,000	$ 2,222,000
1983	18,745,000	(829,000)
1982	15,539,000	(499,000)
1981	9,714,000	(192,000)
1980	11,199,000	(395,000)

	No. of Com. Shares #	Earn. per Share #
1984	3,511,000	$ 0.69
1983	3,154,000	—
1982	3,067,000	—
1981	1,720,000	—
1980	1,474,000	—

(Loss)
‡ Restated to include operations of Pylus Systems Inc. acquired on a pooling of interests basis.
# Based on the weighted average number of shares outstanding.

Common Stock Equity ‡

	Total Equity	Equity Per Share #
1984	$ 2,358,000	$ 0.67
1983	2,446,000	0.78
1982	2,944,000	0.96
1981	3,046,000	1.77

‡ Restated.
# Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Sept. 30	1984	1983
Net revenues	$ 25,416	$ 18,745
Cost of revenues	15,003	10,773
Expenses	7,493	8,509
Oper. profit (loss)	$ 2,920	$ (537)
Interest expense	576	386
Interest income	(291)	(90)
Income (loss) bef. taxes	$ 2,635	$ (833)
Income taxes (credit)	413	(4)
Net Income (Loss)	$ 2,222	$ (829)

* Included in Costs and Expenses, Depreciation and Amortization: $647,000 in 1984 and $558,000 in 1983.

Assets
(000's)

As of Sept. 30	1984	1983 ‡
Cash	$ 411	$ 55
Receiv., net	4,045	3,158
*Inventories	3,119	3,282
Prepaid expenses	177	236
Current Assets	$ 7,752	$ 6,731
#Fixed assets	1,727	2,068
Notes receiv.	114	161
Other assets	75	84
Intangibles	402	446
Total Assets	$ 10,070	$ 9,490

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 2,664	$ 1,847
Accts. payable	1,567	1,541
Accrued expenses	1,074	1,376
Inc. taxes payable	222	58
Deferred inc. taxes	676	479
Curr. Liabilities	$ 6,203	$ 5,301
Long-term debt	1,509	1,743
+Common stock	4,896	3,774
Accumulated deficit	(2,538)	(1,328)
Total Liabilities & Shareholders' Equity	$ 10,070	$ 9,490

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income before Taxes to Sales	10.37	—
%Net Income to Sales	8.74	—
%Net Income to Equity	94.23	—
Working Capital	$1,549,000	$1,430,000
Current Ratio	1.25	1.27
Shareholders' Equity	$2,358,000	$2,446,000

EIP Microwave, Inc.

4500 Campus Drive, Suite 235
Newport Beach, California 92660
(714) 756-8171

Officers: John F. Bishop, chairman of the board & treasurer; Mark K. Howlett, vice chairman of the board; L.R. Foster, president; Richard A. Bush, v.p.; John R. Adam, v.p.-marketing; George D. Clark, v.p.-finance; Mark D. Roos, v.p.-engineering, research & development; Marietta G. Mundy, secretary.

Directors: John F. Bishop, Mark K. Howlett, Burgess Dempster, J. Bradford Bishop, Robert D. Johnson, James J. Shelton, J. Sidney Webb.

Areas of Work: Develops, manufactures and markets electronic test instrumentation, including automatic microwave frequency counters and signal sources, for the defense and telecommunications industries.

Subsidiary:
Foreign Sales Corporation

Joint Venture:
EIP/Cushman, Inc. (50% owned)

Transfer Agent(s):
First Interstate Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EIPM (NASDAQ)

Number of Employees:

1985	201	1983	208
1984	236		

Plant Footage:

1985	N.A.	1983	51,300
1984	51,300 sq. ft.		

N.A. - Not Available

Sales and Earnings

	Net Sales ‡	Net Income ‡
1985	$ 20,293,000	$ 759,000
1984	20,559,000	1,823,000

1983	18,369,000	1,528,000
1982	14,931,000	1,253,000
1981	10,631,000	750,000

	No. of Com. Shares †	Earn. per Share #
1985	2,182,339	$ 0.34
1984	2,210,816	0.80
1983	2,263,866	0.66
1982	2,270,116	0.55
1981	2,270,116	0.33

‡ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.12	—	—
1984	0.10	—	—
1983	0.08	—	2-for-1
1982	0.06	—	—
1981	0.05	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 6,137,000	$ 2.81
1984	6,106,000	2.76
1983	5,218,000	2.30
1982	4,046,000	1.78
1981	2,928,000	1.29

‡ Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 20,293,000	$ 20,559,000
Cost of sales	9,685,000	8,951,000
Expenses	9,047,000	8,685,000
Interest expense	252,000	120,000
Income before taxes	$ 1,309,000	$ 2,803,000
Income taxes	550,000	980,000
Net Income	$ 759,000	$ 1,823,000

* Included in Costs and Expenses, Depreciation and Amortization: $774,000 in 1985 and $678,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 313,000	$ 209,000
Accts. receiv., net	4,143,000	4,164,000
*Inventories	4,456,000	5,175,000
Prepaid expenses	162,000	66,000
Current Assets	$ 9,074,000	$ 9,614,000
#Fixed assets	3,247,000	2,952,000
Other assets & investments	259,000	396,000
Total Assets	$ 12,580,000	$ 12,962,000

Liabilities

Short-term debt	$ 2,450,000	$ 600,000
Accounts payable	1,029,000	2,287,000
Accruals	1,421,000	1,644,000
Income taxes	368,000	933,000
Deferred income taxes	270,000	536,000
Curr. Liabilities	$ 5,538,000	$ 6,000,000
Long-term debt	534,000	733,000
Deferred income taxes	287,000	22,000
Deferred gain on sale	84,000	101,000
+ Common stock	761,000	689,000
Retained earnings	5,376,000	5,417,000
Total Liabilities & Shareholders' Equity	$ 12,580,000	$ 12,962,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income before Taxes to Sales	6.45	13.63
%Net Income to Sales	3.74	8.87
%Net Income to Equity	12.37	29.86
Sales to Inventories	4.55	3.97
Debt to Equity	0.49	0.22
Working Capital	$3,536,000	$3,614,000
Current Ratio	1.64	1.60
Shareholders' Equity	$6,137,000	$6,106,000

Electric Regulator Corporation

Pearl Street
Norwalk, Connecticut 06852
(203) 878-0089

Officers: James Ettinger, president; Peter P. Hawrylvic, v.p.

Directors: James Ettinger.

Areas of Work: Products include: controls for fractional ratings to 1,000 HP; solid state AC starters and DC drives for specialized use in metal cutting, winding, and paper converting; fully controlled acceleration and deceleration for smooth starting, stopping and braking of alternating current induction motors, and solid state control systems for electric vehicles such as fork lift trucks, utility vehicles and construction machinery; high power semiconductors for controlling AC or DC power.

Subsidiary:

Power Semiconductors, Incorporated

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985*	$ 4,153,662	$ 50,295
1984	N.A.	N.A.
1983	5,359,552	142,394
1982	7,213,760	(66,641)
1981	6,544,832	(199,465)

	No. of Com. Shares ‡	Earn. per Share ‡
1985*	1,115,676	$ 0.45
1984	N.A.	N.A.
1983	1,115,676	0.13
1982	1,115,676	—
1981	1,115,676	0.18

* 9 months.
(Loss)
N.A. - Not Available.
‡ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 1,860,010	$ 1.67
1984	N.A.	N.A.
1983	1,391,668	1.25
1982	1,249,274	1.12
1981	1,316,255	1.18

N.A. - Not Available.
‡ Based on the average number of shares outstanding.

Income Account *

Year ended	7/31/85 (9 months)
Net sales	$ 4/153,662
Cost of sales	3,474,064
Expenses	634,375
Interest income	(27,072)
Inc. bef. taxes	72,295
Income taxes	22,000
Net Income	$ 50,295

* Included in Costs and Expenses, Depreciation and Amortization: $79,700 in 1985.

Assets

As of	7/31/85
Cash	$ 809,772
Accounts receiv., net	1,007,939
Receiv., net	18,596
*Inventories	1,300,000
Prepaid expenses	20,366
Current Assets	3,156,671
#Fixed assets	275,239
Total Assets	$ 3,431,910

Liabilities

Accts. payable	$ 634,364
Accruals	713,499
Accrued warranty costs	200,000
Income taxes	22,000
Curr. Liabilities	1,569,863
Deferred inc. taxes	2,037
+ Common stock	111,568
Add. paid-in capital	2,166,767
Retained earnings	2,450,881
Reacquired stock	(2,869,206)
Total Liabilities & Shareholders' Equity	$ 3,431,910

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation & amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.74
%Net Income to Sales	1.21
%Net Income to Equity	2.70
Sales to Inventories	3.20
Working Capital	$1,586,808
Current Ratio	2.01
Shareholders' Equity	$1,860,010

Electro Audio Dynamics, Inc.

98 Cutter Mill Road
Great Neck, New York 11021
(516) 466-5100

Officers: Martin Bader, chairman of the board & chief exec. officer; H. Ridgely Bullock, chairman of the exec. committee; Robert P. Laino, sr. v.p.-finance, administration & treasurer; Andrew J. Bernardo, v.p. & controller; Edward M. Siegel, v.p., secretary & general counsel.

Directors: Martin Bader, chairman; Edward Brodsky, Monty R. Haymon* Herbert M. Stein*, H. Ridgely Bullock*, Robert P. Laino, Irving L. Quitko.

* Member of the Executive Committee.

Areas of Work: Manufactures electrical products including indoor TV and FM antennas, precision motors, circuit connecting devices, printed circuit boards, precision mechanical components, timing devices, sound measuring equipment and medical instrumentation.

Divisions and Subsidiaries:

Electro Mechanical Products Group

Technodyne Inc. (81.5% owned)

Eastern Air Devices Motor Division
1 Progress Drive
Dover, New Hampshire 03820
(603) 742-3330

Produces high performance fractional and subfractional horsepower AC and DC motors, stepper, servo, instrument and gear motors. Also manufactures blowers used in computers, copying machines, communications apparatus and industrial control devices.

National Tel-Tronics, Inc.
Meadville, Pennsylvania; Laredo, Texas; Erie Pennsylvania

Makes terminal strips and boards for commercial and military use, plugs and jacks, anode connectors and related items for television, radio, and high-fidelity equipment; also insulating materials, terminal and printed circuit boards.

Astro Circuit Corp.
100 Hale Street
Lowell, Massachusetts 01851
(617) 458-6440

Engineers, designs and fabricates high density printed circuit boards sold to the electronic industry for use in subassemblies and modules.

American Electromedics Corp. (80% owned)
13 Sagamore Park Road
Hudson, New Hampshire 03051
(617) 263-3986

Antenna and Other Products Group

All Channel Products
42-40 Bell Plaza
Bayside, New York 11361
(212) 229-5900

Produces indoor television and FM antennas marketed under the trade name "Rembrandt" as well as under the private name of certain customers.

Transfer Agent(s):

United States Trust Company of New York
45 Wall Street
New York, New York 10005

J. Henry Schroder Bank & Trust Company
1 State Street
New York, New York 10015

American Transfer Company

Shawmut Worcester County Bank, N.A.

Stock Exchange(s): American

Ticker Symbol: EAD

Sales and Earnings

	Net Sales +	Net Income †
1984	$ 36,024,000	$ 169,000
1983	39,205,000	(759,000)
1982	34,642,000	(9,937,000)
1981	32,596,000	(3,141,000)
1980	32,436,000	(130,000)

	No. of Com. Shares #	Earn. per Share #†
1984	2,714,220	$ 0.05
1983	2,027,628	—
1982	1,811,269	—
1981	1,781,874	—
1980	1,738,823	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $151,000 ($0.06 per share) in 1984, $2,151,000 in 1983, $40,000 in 1981 and $426,000 in 1980.
# Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1984	1983
Electro-mechanical prod. group	$ 32,166,000	$ 35,327,000
High-fidelity & antenna prod. group	3,858,000	3,878,000
Total	$ 36,024,000	$ 39,205,000

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 6,396,000‡	$ 2.36
1983	5,853,000‡	2.89
1982	5,031,000	2.78
1981	14,861,000	8.34
1980	17,173,000	9.88

‡ After allowing for preferred stock at par value.

Income Account *

Year ended	7/28/84	7/30/83
Net sales	$ 36,024,000	$ 39,205,000
Cost of sales	26,883,000	26,721,000
Expenses	8,064,000	7,861,000
Depreciation	842,000	896,000
Interest expense	1,787,000	2,071,000
Gan on sale of subsid.	(2,083,000)	—
Income before taxes	$ 531,000	$ 1,656,000
Income taxes	308,000	935,000
Minority interest	205,000	381,000
Inc. cont. oper.	$ 18,000	$ 340,000
Loss - discont. oper.	—	(3,250,000)
Net Income (Loss)	$ 18,000	$ (2,910,000)
Extraord. gain	151,000	2,151,000
Net Income (Loss) & extraord. gain	$ 169,000	$ (759,000)

Assets

As of	7/28/84	7/30/83
Cash	$ 7,087,000	$ 5,074,000
Accts. & notes receiv., net	7,295,000	6,124,000
*Inventories	7,173,000	7,873,000
Prepaid expenses	192,000	327,000
Current Assets	$ 21,747,000	$ 19,398,000
Notes receiv.	240,000	320,000
#Fixed assets	10,176,000	9,863,000
Other assets	1,503,000	1,162,000
Intangibles	5,977,000	6,075,000
Total Assets	$ 39,643,000	$ 36,818,000

Liabilities

Notes payable	$ 512,000	$ —
Long-term debt, curr.	1,766,000	3,579,000
Accts. payable	2,834,000	3,107,000
Accruals	2,335,000	2,543,000
Curr. Liabilities	$ 7,447,000	$ 9,229,000
Long-term debt	12,742,000	6,539,000
Notes payable	1,844,000	2,459,000
Sub. conv. deben.	5,844,000	6,121,000
Other liabilities	4,963,000	5,909,000
+ Preferred stock	407,000	708,000
+ + Common stock	3,745,000	3,579,000
Add. paid-in capital	13,821,000	13,559,000
Retained earnings (deficit)	(7,261,000)	(7,394,000)
Treasury stock	(3,909,000)	(3,891,000)
Total Liabilities & Shareholders' Equity	$ 39,643,000	$ 36,818,000

* At lower of cost (weighted average or FIFO) or market.
# Less accumulated depreciation.
+ $100 par value; 8% cumulative convertible.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.90	—
%Net Income to Sales	0.05	—
%Net Income to Equity	0.26	—
Sales to Inventories	5.02	4.98
Working Capital	$14,300,000	$10,169,000
Current Ratio	2.92	2.10
Shareholders' Equity	$ 6,803,000	$ 6,561,000

Electrohome Limited

809 Wellington Street North
Kitchener, Ontario, Canada N2G 4J6
(519) 744-7111

Officers: J.A. Pollock, chairman of the board, president & chief executive officer; H.H. LaPier, v.p.-operations; W.D. McGregor, v.p.-Electrohome & pres.-CAP Communications Limited; H.I. Eby, secretary-treasurer; W.A. Janci, v.p.-finance; J.G. Gingerich, corp. controller.

Directors: J.A. Pollock*, chairman; D.S. Sykes*, D.H. Frederick*, Barbara L. Steele, G.S. Dembroski*, W.A. Moeser, R.J. Collins-Wright, D.T. Wright, W.A. Bean.

* Member of the Executive Committee.

Areas of Work: Manufactures industrial electronics products, including data display monitors, professional color and black-and-white video surveillance monitors, high resolution color monitors, color computer graphics video displays, custom video displays, Earth/satellite receivers, amplifiers, large screen monochrome and color data/graphics video displays, and single-and double-sided printed circuit boards. Other industrial products include sub-fractional horsepower motors, packaged motor products, and metal stamping and fabricating. Manufactures and markets consumer furniture. Provides a variety of electronic services, including computer maintenance, video system installation and maintenance, and warranty and after-warranty service for consumer products. Also engaged in television advertising, television commercial production, radio advertising, radio commercial production and the production of "video only" commercials.

Divisions:

Electronics Division
Motor Division
Deilcraft Furniture Division
AABEX Electronic Services

Subsidiaries:

Electrohome Communications Limited
809 Wellington Street North
Kitchener, Ontario, Canada
(519) 744-7111

CAP Communications Limited
864 King Street West
Kitchener, Ontario, Canada
(519) 578-1313

Video-Q Marketplace Television
Kitchener, Ontario, Canada

Transfer Agent(s):

Montreal Trust Company (common shares)
Toronto, Montreal & Winnipeg, Canada

National Trust Company Limited (preferred shares)
Toronto, Montreal, Winnipeg & Vancouver, Canada

Stock Exchange(s): Toronto

Ticker Symbol: EL

Number of Employees:

1985	2,190	1982	2,347
1984	2,269	1981	2,739
1983	2,148		

Sales and Earnings

	Net Sales †	Net Income #
1985	$ 154,375,000	$ 3,988,000
1984	134,832,000	1,180,000
1983	142,121,000	(3,298,000)
1982	162,520,000	(885,000)
1981	183,535,000	8,600,000

	No. of Com. Shares +	Earn. per Share + #
1985	5,409,000	$ 0.73
1984	5,400,000	—
1983	5,400,000	—
1982	5,400,000	—
1981	5,398,000	1.66

(Loss)
† Of continuing operations only.
+ Based on the weighted average number of Class X, Class Y and common shares outstanding adjusted to reflect stock split.
# Including extraordinary gains of $1,387,000 ($0.26 per share) in 1985 and $1,350,000 ($0.21 per share) in 1984.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.10	—	—
1984	0.10	—	—
1983	0.10	—	—

1982	0.20	—	—
1981	0.10	—	3-for-2

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1985	$ 35,422,000	$ 6.55
1984	31,998,000	5.93
1983	31,430,000	5.82
1982	35,330,000	6.54
1981	37,300,000	6.89

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

Income Account
(000's)

Year ended	12/27/85	12/28/84
Net sales	$ 154,375	$ 134,832
Cost of sales & expenses	138,484	123,681
Res. & develop.	4,492	2,255
Depreciation and amortization	3,506	3,712
Interest expense	1,428	1,613
Other interest	1,419	1,255
Share in loss of joint venture	—	225
Writedown of invest.	139	34
Royalty income	(548)	(705)
Income bef. taxes	$ 5,455	$ 2,762
Income taxes	2,854	2,932
Inc. (loss) -cont. oper.	$ 2,601	$ (170)
Income-discont. oper.	1,387	1,350
Net Income	$ 3,988	$ 1,180

Assets
(000's)

As of	12/27/85	12/28/84
Accts. receiv., net	$ 27,201	$ 23,007
*Inventories	25,347	27,887
Prepaid expenses	3,320	1,774
Recov. inc. taxes	2,469	1,854
Current Assets	$ 58,337	$ 54,522
#Fixed assets	22,392	23,146
Deferred income taxes	537	—
Intangibles	1,620	1,919
Deferred foreign exch.	141	81
Total Assets	$ 83,027	$ 79,668

Liabilities
(000's)

Long-term debt, curr.	$ 1,581	$ 1,403
Accts. pay. & accruals	18,598	12,258
Bank advances	11,880	17,427
Deferred income	2,485	2,590
Prov. for warranty exp.	652	568
Curr. Liabilities	$ 35,196	$ 34,246
Long-term debt	10,623	11,688
Deferred inc. taxes	—	37
Prov. for warranty exp.	4	71
Def. revenue	952	753
+ Preferred stock	830	875
+ + Class X & Class Y	6,453	6,410
Retained earnings	28,969	25,588
Total Liabilities & Shareholders' Equity	$ 83,027	$ 79,668

* At lower of cost & replacement cost or net realizable value.
# Less accumulated depreciation.
+ $100 par value; 5¼% cumulative.
+ + No par value.

Statistical Summary

%Net Income to Equity	11.00	3.59
Sales to Inventories	6.09	4.83
Debt to Equity	0.34	0.40
Working Capital	$23,141,000	$20,276,000
Current Ratio	1.66	1.59
Shareholders' Equity	$36,252,000	$32,873,000

Electromagnetic Sciences, Inc.

125 Technology Park/Atlanta
Norcross, Georgia 30092
(404) 448-5770

Mailing Address:
P.O. Box 80508
Atlanta, Georgia 30366

Officers: John F. Pippin, president; William K. Alverson, v.p.-marketing; Joseph W. Simon, senior v.p.-research & development; Thomas E. Sharon, exec. v.p.-advanced development; William F. Evans, sr. v.p.-adm.; W. Douglas McDowell, v.p.-operations; Bruce R. Savage, v.p.-engineering programs; Don T. Scartz, v.p.-finance, treasurer & secretary; Gordon R. Harrison, v.p.-components & new technology programs; Barton L. Hinkle, v.p.-human resources; F. Lane Mobley, asst. secretary.

Directors: John E. Pippin, Joseph W. Simon, Henry A. Bronner, William L. Davenport, Richard V. Holsinger, Jerry H. Lassiter, John B. Mowell, Thomas E. Sharon, William F. Evans.

Areas of Work: Designs and produces microwave components, microwave subsystems, and radio-linked data terminals for the communications and related industries. These products are sold primarily to manufacturers of communications, radar, electronic countermeasurer, surveillance, or similar electronic systems, and to companies using computer-controlled materials handling systems.

Divisions and Subsidiaries:

Gamma-f Corporation
Torrance, California

LXE Division

Transfer Agent(s):

BancTEXAS Dallas, N.A.
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELMG (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 33,344 294	$ 4,291,278
1984	25,258,501	3,397,345
1983	18,545,920	2,664,644
1982	15,055,616	1,571,768
1981	11,027,280	925,300

	No. of Com. Shares #	Earn. per Share #
1985	4,767,216	$ 0.90
1984	4,700,287	0.72
1983	4,726,723	0.56
1982	4,055,659	0.39
1981	3,915,828	0.24

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	4-for-3
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	4-for-3
1981	—	10%	--

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 24,465,075	$ 5.13
1984	19,815,695	4.22
1983	16,370,535	3.46
1982	13,701,848	3.38
1981	6,164,766	1.57

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 33,344,294	$ 25,258,501
Cost of sales	20,250,420	15,247,257
Expenses	6,404,655	4,821,043
Interest income	(1,098,552)	(1,138,986)
Interest expense	196,493	207,845
Income before taxes	$ 7,591,278	$ 6,121,342
Income taxes	3,300,000	2,723,997
Net Income	$ 4,291,278	$ 3,397,345

* Included in Costs and Expenses, Depreciation and Amortization: 1,347,517 in 1985 and $988,291 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,588,828	$ 1,893,006
Marketable securities	8,052,526	7,210,644
Receiv., net	8,726,398	5,914,110
Accrued int. income	240,046	318,105
*Inventories	1,426,417	802,276
Current Assets	$ 20,034,215	$ 16,138,141
#Fixed assets	11,586,861	8,783,601
Other assets	378,284	234,093
Total Assets	$ 33,005,923	$ 27,276,898

Liabilities

Long-term debt, curr.	$ 103,455	$ 92,420
Accts. payable	1,346,250	1,407,829
Accruals	2,501,833	1,904,790
Income taxes	683,145	517,217
Curr. Liabilities	$ 4,634,683	$ 3,922,256
Long-term debt	2,405,326	2,508,775
Deferred inc. taxes	1,370,217	916,217
Other Liabilities	130,622	113,955
+ Common stock	456,656	345,871
Add. paid-in capital	11,231,982	10,995,665
Retained earnings	12,765,437	8,474,159
Total Liabilities & Shareholders' Equity	$ 33,005,923	$ 27,276,898

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	22.77	24.23
%Net Income to Sales	12.78	13.45
%Net Income to Equity	17.54	17.14
Sales to Inventories	23.38	31.48
Debt to Equity	0.10	0.13
Working Capital	$15,399,532	$12,215,885
Current Ratio	4.32	4.4
Shareholders' Equity	$24,465,075	$19,815,695

Electronic Associates, Inc.

185 Monmouth Parkway
West Long Branch, New Jersey 07764
(201) 229-1100

Officers: William R. Smart, chairman of the board; Robert G. Finney, president & chief exec. officer; John J. Fendrock, v.p.-mfg.; Richard K. Stanislaw, v.p.-finance, treasurer & secretary; Robert J. Welle, v.p.-field service; Otis C. Wright, Jr., v.p.-simulation computers; David A. Metzler, v.p.-human resources.

Directors: Edward M. Block, Robert G. Finney, John L. Helm, Hilliard W. Paige, William R. Smart, Herbert I. Fusfeld, Kenneth P. Johnson, Fred L. Martinson.

Areas of Work: Develops and manufactures computer systems used in dedicated and general-purpose simulation applications for training and advanced research and development studies. Products and services include computers used for real-time simulation contract manufacturing.

Electronic Associates, Inc.

Divisions and Subsidiaries:

EAI Realty Development Company
185 Monmouth Parkway
West Long Branch, New Jersey 07764
(201) 229-1100

EAI-Electronic Associates (Japan), Inc.
9th Mori Building
1-3 Shiba-Atago-cho-, Minato-Ku
Tokyo, Japan 105

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: EA

Number of Employees:

1985	492	1982	949
1984	719	1981	963
1983	952		

Plant Footage:

1985	174,000 sq. ft.	1982	347,000
1984	174,000	1981	312,000
1983	338,000		

Sales and Earnings

	Net Sales +	Net Income †
1985	$ 33,707,000	$ 1,641,000
1984	38,620,000	(10,508,000)
1983	40,848,000	(12,181,000)
1982	53,408,000	3,697,000
1981	46,862,000	1,867,000

	No. of Com. Shares	Earn. per Share †#
1985	2,845,565	$ 0.58
1984	2,844,565	—
1983	2,838,315	—
1982	2,805,327	1.30
1981	2,750,559	0.66

(Loss)
+ Of continuing operations; includes income from sales, service and rentals
† Including extraordinary gains of $1,486,000 ($0.52 per share) in 1982 and $889,000 ($0.31 per share) in 1981.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984	1983	1982
Computers & systems	42%	31%	27%	30%
Field service	27	21	16	11
Utility & energy measure systems	13	29	34	46
Flight trainers	0	0	2	3
Mfg. subcontracts	18	19	21	10
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 9,434,000	$ 3.32
1984	(763,000)	—
1983	9,733,000	3.43
1982	21,824,000	7.78
1981	18,049,000	6.56

(Deficiency)

Income Account *
(000's)

Year ended	12/31/85	12/28/84
Net sales, service & rentals	$ 33,707	$ 38,620
Cost of sales, service & rentals	25,483	37,468
Cost of contract settlement	—	2,431
Expenses	7,541	9,772
Interest expense	70	78
Other income	(342)	(670)
Inc. (loss) bef. taxes	$ 955	$ (10,459)
Income taxes	605	49
Net Income (Loss)	$ 350	$ (10,508)

* Included in Costs and Expenses. Depreciation: $876,000 in 1985 and $1,217,000 in 1984.

Assets
(000's)

As of	12/31/85	12/28/84
Cash	$ 876	$ 1,215
Marketable securities	1,550	2,037
Receivables, net	6,998	7,922
*Inventories	3,980	4,623
Prepaid expenses	324	313
Other current assets	184	—
Current Assets	$ 13,912	$ 16,110
#Fixed assets	2,094	3,068
Other assets	608	706
Total Assets	$ 16,614	$ 19,884

Liabilities
(000's)

Long-term debt, curr.	$ 395	$ 118
Accts. payable	1,332	1,946
Accruals	4,038	5,464
Other liabilities	359	586
Curr. Liabilities	$ 6,124	$ 8,114
Long-term debt	1,056	1,064
Accrued pension	—	782
Deferred gain on sale & leaseback	—	10,687
+ Common stock	2,846	2,845
Add. paid-in capital	6,588	28,080
Deficit	—	(31,688)
Total Liabilities & Shareholders' Equity	$ 16,614	$ 19,884

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.83	—
%Net Income to Sales	1.04	—
%Net Income to Equity	3.71	—
Sales to Inventories	8.47	7.70
Debt to Equity	0.15	—
Working Capital	$7,788,000	$7,996,000
Current Ratio	1.99	2.13
Shareholders' Equity (Deficiency)	$9,434,000	$ (763,000)

Electronic Control Systems, Inc.

Post Office Box 1232
Fairmont, West Virginia 26554
(304) 363-8690

Officers: Michael E. Basile, president; Robert E. Harkins, vice president; Leo F. Modi, secretary and treasurer.

Directors: Michael E. Basile, Leo F. Modi, Robert E. Harkins, Paul L. Layman, William R. Newlin, Paul L. Bourdeau.

Areas of Work: Manufactures a line of temperature and power controls from a simple control loop to fabrication of complete panel systems, with all necessary instrumentation including controllers, power units, switchgear, alarm functions, computer back-up, recorders, and annunciators engineered and/or custom designed to customer's specifications. Major markets are manufacturers of electric furnaces, electric ovens, synthetic fibers, glass, fiber glass, semi-conductor, plastic extruding and molding machinery.

Subsidiaries:

MiLo Technology, Inc. (83.94% owned)
Pittsburgh, Pennsylvania
Designs and markets computer interface equipment for use in the control of, and communication in, industrial processes.

Fairmont Building and Investment Company (55% owned)

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ELCS (NASDAQ)

Number of Employees:

1985 85

Plant Footage:

1985 35,500 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 4,737,869	$ 266,774
1984	4,001,934	120,043
1983	2,577,040	24,419
1982	2,388,950	(105,708)
1981	3,992,555	105,284

	No. of Com. Shares	Earn. per Share #
1985	892,227	$ 0.28
1984	885,250	0.13
1983	889,310	0.03
1982	896,809	—
1981	903,583	0.11

(Loss)
+ Includes other operating revenues.
# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1985	1984	1983	1982
Temp. control devices	43%	32%	51%	62%
SCR power supply devices	40	45	35	34
Alarm systems	14	23	14	4
Spare parts	3	—	—	—
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.05	—	—
1981	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 2,244,021	$ 2.52
1984	1,998,761	2.26
1983	1,884,825	2.12
1982	1,871,290	2.09
1981	2,031,288	2.25

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 4,434,338	$ 3,933,158
Commissionse	258,719	26,963

Other income	37,827	50,422
Loss on eq. in subsid.	(11,790)	(12,520)
Inc. - liq. subsid.	2,151	2,036
Minority interest	16,624	1,875
Total income	$ 4,737,869	$ 4,001,934
Cost of sales	2,938,649	2,809,238
Expenses	1,378,649	1,004,768
Interest expense	58,212	43,722
Income before taxes	$ 362,359	$ 144,206
Income taxes	95,585	24,163
Net Income	$ 266,774	$ 120,043

* Included in Costs and Expenses, Depreciation and Amortization: $91,172 in 1985 and $65,296 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 40,554	$ 98,342
Marketable securities	235,447	267,453
Accts. receiv., net	891,168	875,612
Due from affiliates	61,329	61,287
*Inventories	1,310,315	975,789
Prepaid expenses	45,324	22,817
Current Assets	$ 2,584,137	$ 2,301,300
Investments	261,602	273,392
#Fixed assets	421,838	376,933
Intangibles	6,127	8,593
Other assets	62,865	13,298
Total Assets	$ 3,336,569	$ 2,973,516

Liabilities

Notes payable	$ 557,794	$ 482,679
Accts. payable	217,653	252,924
Inc. taxes payable	110,422	30,663
Accruals	124,932	109,832
Other liabilities	10,493	16,665
Curr. Liabilities	$ 1,021,294	$ 892,763
Notes payable	50,500	64,594
Deferred compensation	20,754	11,933
Deferred inc. taxes	—	5,465
+ Common stock	98,036	98,036
Add. paid-in capital	1,379,389	1,365,214
Retained earnings	924,024	701,502
Treasury stock	(111,259)	(119,822)
Amts. receiv. from officers	(46,169)	(46,169)
Total Liabilities & Shareholders' Equity	$ 3,336,569	$ 2,973,516

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.17	3.66
%Net Income to Sales	6.02	3.05
%Net Income to Equity	11.89	6.01
Sales to Inventories	3.38	4.03
Debt to Equity	0.27	0.27
Working Capital	$1,562,843	$1,408,537
Current Ratio	2.53	2.58
Shareholders' Equity	$2,244,021	$1,998,761

Electronics Corporation of America

265 Winter Street
Waltham, Massachusetts 02154
(617) 864-8000

Officers: Arthur G.B. Metcalf, chairman of the board & president; Richard R. Glendon, v.p. & treasurer; William Eisner, exec. v.p.; Elik I. Fooks, v.p.-photoswitch engineering; E. Craig Thomson, v.p. & chief engineer; Guy W. Bragdon, Jr., v.p.-manufacturing; Stanley L. Davis, v.p.-photoswitch marketing; Thomas J. Lechner, v.p.-Fireye engineering; Peter N. Renzi, v.p.-product planning & marketing; Nicholos P. Fowler, v.p.-materials management; Theodore D. Crandall, v.p. & controller; D.A. Dunderdale, clerk.

Directors: Arthur G.B. Metcalf, chairman; William Eisner, R.F. Glendon, John R. Silber

Areas of Work: Develops and manufactures "Fireye" computerized combustion safeguard controls and burner management systems for utilities, industrial and commercial oil and gas burner installations, for power plant boilers and process burners. Develops and manufactures general purpose and special function photoelectric and electronic controls and systems, electronic timers, and electronic level controls used in automation of industrial processes and the materials handling industry. Also markets a Universal Digital Management System for sequentially activating and controlling power switching devices.

Divisions:

ECA European Division
Brussels, Belgium

Subsidiaries:

Electronics Corporation of America (Canada), Ltd.
Toronto, Ontario, Canada

Electronics Corporation of America (Great Britain) Limited
London, England

Electronics Corporation of America (International)
San Juan, Puerto Rico

Electronics Corporation of America (Export)

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: ECA

Sales and Earnings

	Net Sales	Net Income †
1985	$ 50,691,488	$ 4,585,683
1984	47,838,092	7,160,907
1983	42,072,946	(3,961,704)
1982	42,980,801	1,083,391
1981	45,380,762	5,810,732

	No. of Com Shares #	Earn. per Share #†
1985	1,817,461	$ 2.52
1984	1,813,000	3.95
1983	1,809,000	—
1982	1,806,000	0.60
1981	1,773,000	3.28

(Loss)
† Including extraordinary gain of $450,000 ($0.25 per share) in 1984.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.40	—	—
1984	1.40	—	—
1983	1.40	—	—
1982	1.40	—	—
1981	1.31	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 26,574,151	$ 14.62
1984	23,931,117	13.20
1983	19,656,587	10.86
1982	26,538,179	14.69
1981	28,021,698	15.55

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 50,691,488	$ 47,838,092
Cost of sales	30,415,806	29,323,000
Expenses	13,652,001	12,435,189
Interest and other expenses	1,127,998	2,103,429
Gain on sale	—	(8,823,433)
Income before taxes	$ 5,495,683	$ 12,799,907
Income taxes	910,000	6,089,000
Net Income	$ 4,585,683	$ 6,710,907
Extraord. gain	—	450,000
Net Income & extraord. gain	$ 4,585,683	$ 7,160,907

* Included in Costs and Expenses, Depreciation and Amortization: $1,928,476 in 1985 and $1,708,706 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & govt. securities	$ 9,617,889	$ 11,366,786
Accts. receiv., net	9,453,677	8,318,682
Contracts	457,855	26,958
*Inventories	14,814,493	15,416,335
Prepaid expenses	655,671	265,133
Current Assets	$ 34,999,585	$ 35,393,894
#Fixed assets	16,460,303	15,419,598
Other assets & deferred charges	779,592	1,048,739
Intangibles	1	1
Note receivable	2,750,000	2,750,000
Total Assets	$ 54,989,481	$ 54,612,232

Liabilities

Long-term debt, curr.	$ 2,457,370	$ 2,175,419
Accts. payable	2,891,110	2,420,735
Accruals	617,830	672,787
Accrued payroll	1,269,754	1,186,339
Income taxes	487,306	1,595,024
Curr. Liabilities	$ 7,723,370	$ 8,050,304
Long-term debt	14,520,030	16,714,880
Deferred inc. taxes	6,171,930	5,915,931
+ Common stock	1,877,797	1,865,465
Add. paid-in capital	7,106,132	6,937,605
Translation adjustment	(967,970)	(1,387,606)
Retained earnings	18,922,286	16,879,747
Treasury stock	(364,074)	(364,094)
Total Liabilities & Shareholders' Equity	$ 54,989,481	$ 54,612,232

* At standard costs which approximate actual cost on a FIFO basis and do not exceed market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.84	26.76
%Net Income to Sales	9.05	14.03
%Net Income to Equity	17.26	28.04
Sales to Inventories	3.42	3.10
Debt to Equity	0.64	—
Working Capital	$17,276,215	$27,343,590
Current Ratio	4.53	4.40
Shareholders' Equity	$26,574,151	$23,931,117

Electronics, Missiles & Communications, Inc.

Susquehanna Street Extension
P.O. Box 68
White Haven, Pennsylvania 18661
(717) 443-9575

Officers: Colin R. Keefer, president & chief exec. officer; Leonard S. Teven, exec. v.p; Edward A. Kadler, v.p. & comptroller; Robert G. Nash, v.p.-engineering; Lee VonGordon, Jr., v.p. & chief financial officer; John Saul, Perry Spooner, v.p.'s; H.P. Chalmers, treasurer; Martin D. Cohn, secretary; Kay Krull, asst. secretary.

Directors: Shirley Chalmers, H.P. Chalmers, Paul Mancuso, Leonard S. Teven.

Areas of Work: Manufactures television broadcast equipment for commercial, educational and private television systems.

Electronics, Missiles & Communications, Inc.

Principal products are low and medium power television transmitters for VHF, UHF and microwave television transmission: translators, and down-converters.

Subsidiaries:

Emcee International Sales, Inc.
Del's Tower Service, Inc.
Laser Surgical Systems, Inc.
Pro-Community TV, Inc.

Transfer Agent(s):

The First National Bank of Minneapolis
120 South Sixth Street
P.O. Box A700
Minneapolis, Minnesota 55480

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ECIN (NASDAQ)

Number of Employees:

1985	65	1982	140
1984	80	1981	95
1983	120		

Plant Footage:

1985	N.A.	1982	74,300
1984	27,000 sq. ft.	1981	27,000
1983	27,000		

N.A.-Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,821,491	$ (2,352,432)
1984	3,917,814	(1,929,959)
1983	5,724,753	(591,987)
1982	6,806,308	482,308
1981	5,603,581	588,080

	No. of Com. Shares	Earn. per Share +
1985	4,108,328	$ —
1984	2,869,695	—
1983	2,867,712	—
1982	2,760,512	0.17
1981	2,760,512	0.21

(Loss)
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 358,112	$ 0.09
1984	1,473,174	0.51
1983	3,381,848	1.18
1982	2,769,435	1.00
1981	2,287,127	0.83

Income Account *

Year ended March 31	1985	1984
Net sales	$ 3,821,491	$ 3,917,814
Cost of sales	3,054,859	2,980,510
Expenses	1,941,517	1,865,139
Research & development	23,240	159,108
Interest expense	333,429	294,601
Write-down of inven.	441,000	544,700
Other expenses (income)	(33,357)	70,124
Loss before taxes	$ (1,939,197)	$ (1,996,368)
Tax credit	—	(523,000)
Loss—cont. oper.	$ (1,939,197)	$ (1,473,368)
Loss—discont. oper.	(413,235)	(456,591)
Net Loss	$ (2,352,432)	$ (1,929,959)

* Included in Costs and Expenses, Depreciation: $197,159 in 1985 and $237,555 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 432,687	$ 45,715
Accts. & notes receiv., net	637,149	983,112
*Inventories	1,790,000	2,002,000
Prepaid inc. taxes & other expenses	173,345	123,386
Income tax refund	—	341,000
Current Assets	$ 3,033,181	$ 3,495,213
#Fixed assets	678,788	961,642
Other assets	110,494	305,465
Total Assets	$ 3,822,463	$ 4,762,320

Liabilities

Notes payable	$ 225,000	$ —
Long-term debt, curr.	121,267	117,254
Oblig. under cap. leases, curr.	65,593	51,833
Accts. payable	524,552	524,877
Accruals	353,218	225,486
Curr. Liabilities	$ 1,289,630	$ 919,450
Long-term debt	2,057,437	2,203,896
Oblig. under cap. leases	117,284	165,800
+Common stock	68,904	48,257
Add. paid-in capital	3,301,909	2,083,556
Ret. earnings (deficit)	(3,001,306)	(648,874)
Treasury stock	(11,395)	(9,765)
Total Liabilities & Shareholders' Equity	$ 3,822,463	$ 4,762,320

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01⅔ par value.

Statistical Summary

Sales to Inventories	1.96	2.13
Debt to Equity	7.22	1.72
Working Capital	$1,743,551	$2,575,763
Current Ratio	2.35	3.80
Shareholders' Equity	$ 358,112	$1,473,174

Electro-Nucleonics, Inc.

350 Passaic Avenue
Fairfield, New Jersey 07006
(201) 227-6700

Officers: Vincent V. Abajian, chairman of the board & chief executive officer; Robert Fennell, president & chief operating officer; Herbert Appleton, exec. v.p., Richard M. Mandle, Alan M. Fishman, Joseph J. Cardillo, v.p.'s; Ernest Maclin, v.p.-research & development; Richard Abajian, secretary-treasurer; Paul Plunkett, v.p. & controller.

Directors: Richard Abajian, Vincent V. Abajian, John J. Astor, Carl Pacifico, Robert Fennell, George T. Maloney, J. George Harris, Richard Mandle, Harvey H. Segal, Nolan B. Sommer, Nathan Stendig, William V. Beshlian.

Areas of Work: Manufactures the ALTAIRE, FLEXIGEM, GEMENI, GEMSTAR and GEM PROFILER blood chemistry analyzer systems, research and production-scale liquid ultracentrifuges, diagnostic reagents and test kits; processes purified viruses, antigens and antibodies for research; conducts immunological testing through the VIRGO line of Indirect Fluorescent Antibody (IFA) tests, which consist of tests related to the body's immune response system, including the RIAUSURE, II, test for serum hepatitis and the MTLV-III antibodies test for AIDS (acquired immune deficiency syndrome).

Transfer Agent(s):

Continental Stock Transfer & Trust Company
30 Montgomery Street
Jersey City, New Jersey 07302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ENUC (NASDAQ)

Number of Employees:

1985	N.A.	1982	700
1984	750	1981	550
1983	750		

Plant Footage:

1985	N.A.	1982	N.A.
1984	250,000 sq. ft.	1981	100,000
1983	175,000		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income +
1985	$ 56,882,000	$ 1,630,000
1984	45,487,000	(2,363,000)
1983	42,862,000	2,300,000
1982	37,730,947	1,590,755
1981	34,958,597	1,919,669

	No. of Com. Shares	Earn. per Share + #
1985	3,808,836	$ 0.43
1984	3,830,722	—
1983	3,830,022	0.67
1982	3,155,343	0.51
1981	3,044,343	0.69

(Loss)
+ Including extraordinary gains of $161,000 ($0.04 per share) in 1984, $161,000 ($0.05 per share) in 1983, $161,000 ($0.05 per share) in 1982 and $161,000 ($0.06 per share) in 1981.
# Based on the average number of shares outstanding during each period.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 28,867,000	$ 7.58
1984	27,577,000	7.20
1983	30,186,000	7.88
1982	18,435,786	5.84
1981	15,847,148	5.21

Income Account *

Year ended June 30	1985	1984
Net sales	$ 56,882,000	$ 45,487,000
Cost of sales	37,543,000	31,416,000
Discont. prod. lines	—	1,389,000
Expenses	17,445,000	15,732,000
Interest expense	771,000	536,000
Other income	(697,000)	(373,000)
Income (loss) before taxes	$ 1,820,000	$ (3,213,000)
Income taxes (credit)	190,000	(689,000)
Net Income (Loss)	$ 1,630,000	$ (2,524,000)
Extraord. gain	—	161,000
Net Income (Loss) & Extraord. gain	$ 1,630,000	$ (2,363,000)

* Included in Costs and Expenses, Depreciation and Amortization: $2,249,000 in 1985 and $1,873,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 1,695,000	$ 600,000
Preferred stocks	—	1,070,000
Accts. receiv., net	12,453,000	11,777,000
Inc. taxes receiv.	178,000	182,000
*Inventories	15,500,000	12,442,000
Prepaid expenses & other assets	398,000	410,000
Current Assets	$ 30,224,000	$ 26,481,000
Investment securities	232,000	232,000
#Fixed assets	14,698,000	13,197,000
Intangibles	812,000	950,000
Other assets	448,000	471,000
Total Assets	$ 46,414,000	$ 41,331,000

Liabilities

Long-term debt, curr.	$ 849,000	$ 560,000
Accts. payable	4,199,000	3,107,000
Inc. taxes payable	156,000	—
Accruals	2,483,000	1,744,000
Curr. Liabilities	$ 7,687,000	$ 5,411,000
Long-term debt	9,323,000	7,853,000
Deferred income	498,000	477,000
Def. inc. taxes	39,000	13,000
+Common stock	95,000	96,000
Add. paid-in capital	27,356,000	27,514,000
Retained earnings	1,976,000	346,000
For. curr. trans. adjust.	(560,000)	(379,000)

Total Liabilities & Shareholders' Equity	$ 46,414,000	$ 41,331,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.025 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.20	—
%Net Income to Sales	2.87	—
%Net Income to Equity	5.65	—
Sales to Inventories	3.67	3.66
Debt to Equity	0.31	—
Working Capital	$22,537,000	$21,070,000
Current Ratio	3.93	4.89
Shareholders' Equity	$28,867,000	$27,577,000

Electrospace Systems, Inc.

P.O. Box 831359
1301 East Collins Boulevard
Richardson, Texas 75083
(214) 470-2000

Officers: James R. Lightner, chairman of the board, president & treasurer; Robert L. Carrel, exec. v.p. & secretary; Milton W. Holcombe, Richard C. Fenwick, v.p.'s; Donald E. Heitzman, v.p.-marketing; Lonnie B. Roberts, corporate controller; Cecil C. Harvell, asst. v.p.-marketing.

Directors: James R. Lightner, chairman; Robert L. Carrel, Milton W. Holcombe, Richard C. Fenwick, John Adel, William H. Bowen.

Areas of Work: Communication and navigation system analysis, integration and testing, antenna research and development, mechanical/structural engineering analysis, electronic warfare systems and solid state switching, servo control systems and telephone central office switches.

Subsidiaries:

Electrotel, Inc.
P.O. Box 481
Ballinger, Texas 76821
(915) 365-2555

Transfer Agent(s):

BancTexas Dallas, N.A.
Dallas, Texas

Stock Exchange(s): New York

Ticker Symbol: ELE

Number of Employees:

1986	1,974	1983	916
1985	1,609	1982	914
1984	1,100		

Plant Footage:

1986	552,750 sq. ft.	1983	386,900
1985	471,435	1982	272,221
1984	386,900		

Sales and Earnings

	Revenues	Net Income
1986	$ 145,035,806	$ 13,376,852
1985	107,838,533	10,411,012
1984	79,503,117	7,988,266
1983	62,104,751	6,134,777
1982	55,088,347	4,359,984

	No. of Com. Shares	Earn. per Share ‡
1986	13,347,653	$ 0.98
1985	10,579,496	0.78
1984	8,418,883	0.61
1983	4,171,618	0.47
1982	3,295,892	0.34

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.08	25%	—
1985	0.08	25%	—
1984	0.08	100%	—
1983	0.12	25%	—
1982	0.12	25%	—

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 51,507,516	$ 3.86
1985	37,565,214	3.55
1984	26,908,076	3.20
1983	18,823,171	4.51
1982	12,602,702	3.82

Income Account *

Year ended	3/28/86	3/29/85
Revenues	$ 145,035,806	$ 107,838,533
Cost of revenues	121,406,516	90,754,708
Expenses	1,303,422	1,030,870
Interest expense	579,110	230,180
Oper. profit	$ 21,746,758	$ 15,822,775
Other income	1,502,371	2,768,318
Income before taxes	$ 23,249,129	$ 18,591,093
Income taxes	9,872,277	8,180,081
Net Income	$ 13,376,852	$ 10,411,012

* Included in Costs and Expenses, Depreciation and Amortization: $3,376,200 in 1986 and $2,305,252 in 1985.

Assets

As of	3/28/86	3/29/85 ‡
Cash	$ 17,958,875	$ 26,905,794
Market. secur.	—	3,557,485
Accts. receiv., net	43,337,674	23,391,257
Costs on contracts in exc. of billing	7,245,348	3,013,672
*Inventories	570,129	808,354
Prepaid expenses	698,294	225,758
Current Assets	$ 69,810,320	$ 57,902,320
#Fixed assets	27,060,753	16,779,048
Other assets	1,618,391	521,938
Total Assets	$ 98,489,464	$ 75,203,306

Liabilities

Long-term debt, curr.	$ 362,466	$ 377,701
Accts. payable	5,663,649	1,647,722
Accruals	6,812,799	7,475,404
Income taxes	22,032,196	18,025,247
Curr. Liabilities	$ 34,871,110	$ 27,526,074
Notes payable	5,740,833	5,795,835
Mortgage payable	1,712,112	1,749,575
Inc. taxes	4,927,893	2,566,608
+ Common stock	1,549,448	1,239,559
Add. paid-in capital	4,657,890	2,723,608
Retained earnings	46,396,057	33,976,287
Treasury stock	(1,095,879)	(374,240)
Total Liabilities & Shareholders' Equity	$ 98,489,464	$ 72,203,306

‡ Restated.
* Raw materials and purchased parts at average cost not in excess of net realizable value.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	16.03	17.24
%Net Income to Revenues	9.22	9.65
%Net Income to Equity	25.97	27.71
Debt to Equity	0.15	0.21
Working Capital	$34,939,210	$30,376,246
Current Ratio	2.00	2.10
Shareholders' Equity	$51,507,516	$37,565,214

Eli Lilly and Company

307 East McCarty Street
Indianapolis, Indiana 46285
(317) 261-2000

Officers: Richard D. Wood, chairman of the board, president & chief executive officer; Cornelius W. Pettinga, exec. v.p.; Edwin F. Alder, v.p.-Lilly Research Laboratories; C. Harvey Bradley, Jr., v.p. & general counsel; Vaughn D. Bryson, exec. v.p.; Eurelio M. Cavalier, group v.p., sales-Pharmaceutical Division; Marvin Cave, v.p.-Industrial Relations Division; James M. Cornelius, v.p.-finance; Edgar G. Davis, v.p.-Corporate Affairs Division; Earl B. Herr, Jr., exec. v.p. & president-Lilly Research Laboratories; Irving S. Johnson, v.p.-Lilly Research Laboratories; Thomas A. Klingaman, sr. v.p.-production planning & corporate services; E. Walter Lange, group v.p.-marketing & planning and development, Pharmaceutical Division; Mel Perelman, president-Eli Lilly International Corporation; Joseph Ronchetti, president-Elizabeth Arden, Inc.; Eugene L. Step, exec. v.p. & president-Pharmaceutical Division; John G. Whitney, v.p.-Lilly Research Laboratories; J. Richard Zapapas, group v.p.; E.R. Roberts, exec. v.p.-Eli Lilly International Corporation.

Directors: Richard D. Wood*, chairman of the board; Thomas H. Lake, Edwin F. Alder, C. Harvey Bradley, Jr., Steven C. Beering, Earl B. Herr, Jr.*, Mel Perelman*, Cornelius W. Pettinga*, Robert C. Seamans, Jr., Eugene L. Step*, J. Richard Zapapas*, Alva O. Way, J. Clayburn LaForce, Jr., C. William Verity, Jr.; Vaughn D. Bryson*.

* Member of the Executive Committee.

Areas of Work: Engaged in the discovery, development, manufacture and sale of products in three principal industries: human health, agriculture and cosmetics. The human health segment includes pharmaceuticals, electronic medical instrument systems, implantable cardiac pacemakers, empty gelatin capsules, packaging products, and bulk chemicals. Pharmaceuticals include analgesics, an antiarthritic agent, antibiotics, antidiabetic agents, hematinics, hormones, oncolytic agents, sedatives, vitamins, and other pharmaceuticals for human use. Electronic medical instrument systems include products for measuring patient temperatures and for administering and monitoring intravenous fluid infusions. The agriculture segment includes agricultural chemicals and animal health products. Agricultural chemicals are principally herbicides for controlling weeds in various crops. Animal health products include a nonhormonal cattle feed additive that improves feed efficiency; various antibiotics for promoting feed efficiency and growth in swine, and anti-coccidial agent for use in broilers and layer replacements, and other products for livestock, poultry, and pet animals. The cosmetics segment includes the Elizabeth Arden Line and Parfums Lagerfeld products. The Elizabeth Arden Line includes skincare preparations, make-up products, and fragrances. Parfums Lagerfeld products are marketed under the trademarks Chloe and Lagerfeld and include fragrance products.

Electronics Operations:

IVAC Corporation
Campus Point, California
(714) 453-4320

Worldwide manufacturing and marketing of electronic medical instrument systems, including intravenous infusion devices and electronic thermometers.

Cardiac Pacemakers, Inc.
St. Paul, Minnesota

Engaged in the business of designing, developing, manufacturing, and marketing implantable cardiac, external and implantable defibrillators, and cardiac monitors.

Physio-Control Corporation
11811 Willows Road
Redmond, Washington 98052
(206) 883-1181

Manufactures and distributes electronic products used in cardiovascular medicine, including defibrillators/monitors, peritoneal dialysis equipment, blood pressure monitoring devices, ultrasonic Doppler probes, in-vivo oximeters, and vascular implant products.

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Merchants National Bank &
Trust Company of Indianapolis
Indianapolis, Indiana

Eli Lilly and Company

Continental Illinois National Bank
and Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): New York, Zurich, Basel, Geneva

Ticker Symbol: LLY

Number of Employees:

1985	28,000	1982	29,300
1984	28,700	1981	28,600
1983	29,200		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 3,270,600	$ 518,000
1984	3,109,200	490,000
1983	3,033,700	457,000
1982	2,962,700	412,000
1981	2,773,200	374,400

	No. of Com. Shares ‡	Earn. per Share ‡
1985	140,281,000	$ 3.69
1984	145,710,000	3.36
1983	149,248,000	3.06
1982	151,868,000	2.71
1981	151,884,000	2.47

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Human Health	$ 2,205,900	$ 2,028,900
Agriculture	712,800	756,900
Cosmetics	351,900	323,400
Total	$ 3,270,600	$ 3,109,200

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$1.60	—	2-for-1
1984	1.4875	—	—
1983	1.375	—	—
1982	1.30	—	—
1981	1.1875	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 2,387,700	$ 17.02
1984	2,221,200	15.24
1983	2,121,000	14.21
1982	2,055,500	13.53
1981	1,888,300	12.43

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,270,600	$ 3,109,200
Cost of sales	1,175,400	1,128,400
Expenses	1,330,800	1,236,500
Interest income	(71,200)	(73,400)
Interest expense	48,400	43,100
For. exch. loss	—	7,400
Other income	(9,400)	(3,500)
Income before taxes	$ 796,600	$ 770,700
Income taxes	279,000	280,500
Net Income	$ 517,600	$ 490,200

* Included in Costs and Expenses, Depreciation and Amortization: $136,200,000 in 1985 and $120,700,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & secur.	$ 406,100	$ 445,300
Accts. receiv., net	604,800	560,400
Other receiv.	81,700	72,900
*Inventories	694,200	630,200
Prepaid exp.	153,400	118,700
Current Assets	$ 1,940,200	$ 1,827,500
Other assets	639,500	536,000
#Fixed assets	1,374,000	1,280,400
Total Assets	$ 3,953,700	$ 3,643,900

Liabilities
(000's)

	1985	1984
Loans payable	$ 302,400	$ 342,600
Accts. payable	124,200	114,800
Accrued payroll	165,900	135,600
Dividends payable	62,800	57,300
Other liabilities	225,900	194,700
Income taxes	37,700	107,800
Deferred income taxes	126,900	114,400
Curr. Liabilities	$ 1,045,800	$ 1,067,200
Long-term debt	238,600	116,600
Deferred inc. taxes	281,600	238,900
+ Common stock	91,300	47,700
Add. paid-in capital	124,200	128,700
Retained earnings	2,740,600	2,497,000
Curr. trans. adjust.	(118,200)	(155,800)
Treasury stock	(450,200)	(296,400)
Total Liabilities & Shareholders' Equity	$ 3,953,700	$ 3,643,900

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $0.625 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	24.36	24.79
%Net Income to Sales	15.83	15.77
%Net Income to Equity	21.68	22.07
Sales to Inventories	4.71	4.93
Debt to Equity	0.10	0.05
Working Capital	$ 894,400,000	$ 760,300,000
Current Ratio	1.86	1.71
Shareholders' Equity	$2,387,700,000	$2,221,200,000

Emerson Electric Co.

8000 West Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Officers: C.F. Knight, chairman & chief exec. officer; E.L. Keyes, Jr., president; W.A. Rutledge, vice chairman; J.J. Adorjan, J.F. Hardymon, R.W. Staley, A.E. Suter, J.K. Ver Hagen, exec. v.p.'s; E.L. Clary, group v.p.-corp. services; H.F. Faught, group v.p.-technology; A.A. Gilbert, v.p.-manpower development; C.W. Groennert, v.p.-financial services & asst. secretary; D.N. Farr, D.R. Perkins, asst. treasurers; C. Hansen, sr. v.p., secretary & general counsel; P.L. Gartman, v.p.-development; C.A. Dill, sr. v.p.; C.O. Planting, v.p.-corp. sales; J.C. Rohrbaugh, sr. v.p.-industrial relations; J.G. Wilson, v.p.-finance & controller; W.C. Bousquette, sr. v.p. & chief financial officer; H.E. Johnson, v.p.-planning; P.A. Roberts, v.p.-public affairs; J.R. Marchiano, v.p.-manufacturing; H.J. Yopp, v.p.-tax; R.M. Cox, Jr., v.p. &treasurer; W.J. Galvin, v.p.-financial analysis & systems.

Directors: W.R. Persons*, J.A. Frates*, B.A. Schriever, L.L. Browning, Jr.*, R.D. Potts, Gene K. Beare, Charles F. Knight*, Eugene F. Williams, Jr.*, G.A. Lodge, L.J. Conti, E.L. Keyes, Jr.*, W.A. Rutledge*, J.J. Kerley*, V.R. Loucks, Jr., W.M. Van Cleve*, A.A. Busch, III*

*Member of the Executive Committee.

Areas of Work:

Government & Defense Group

Airborne fire control radar systems, airborne radio navigation systems, ammunition storage and feed systems, anechoic chambers, anti-submarine warfare detection & recording systems, automatic test equipment, electronically scanned antennas, magnetic tape recorders, intrusion detection systems, metallic and non-metallic detectors, guidance & control systems, low noise antenna feeds, naval surface armament systems, power supplies, research & development, rocket systems, rocket & missile launching systems, satellite communications & telemetry validation systems & tactical navigation systems & missile antenna development.

Consumer Group

Arc welders, band saws, ceiling systems, console humidifiers, door chimes, drain cleaning equipment, drill presses, electric baseboard heat, electric heating and cooling systems, electrostatic air cleaners, gas cutting & welding equipment, hand tools, hot water dispensers, intercom systems, ladders & scaffolding, lathes, planers and shapers, plastic pipe welders, point source illumination, power chain saws, power plumbing tools, security systems, lighting interconnect systems, Monofilament line lawn trimmer, pipe working tools, smoke detectors, ventilation and exhaust systems, waste disposers, hobbyist tools, water fountain valves, woodworking benches and radial saws.

Commercial & Industrial Components and Systems Group

Air conditioning and refrigeration compressor motors, dryers, expansion valves, fan motors, solenoid control valves, appliance electric heating elements and controls, appliance motors, automation systems, belt and chain components & drives, bimetallic control devices, cams and index equipment, controlled speed drives, eddy current controls and drives, electronic variable speed drives, conveyor components, eddy current controls and drives, electronic power supplies, fluid flow instrumentation, fluid heat transfer systems, gears, gear motors, heating blower motors and controls, industrial electric heating elements, industrial electric heating products, irrigation flowmeter/control systems, liquid level measurement instrumentation, machine tool drives and controls, magnetic flowmeters, mechanical couplings, metal stampings, positive displacement meters, process control instrumentation, sealed terminals, special application motors, speed reducers, thermal limit devices, turbine meters, ultrasonic meters, uninterruptible power systems, vertical pump motors and drives, aviation instrumentation, and utilities equipment and tools.

Divisions and Subsidiaries:

Alco Controls Division
P.O. Box 12700
St. Louis, Missouri 63141
(314) 432-6300

Beaird-Pouland Division
5020 Flournoy Lucas Road
Shreveport, Louisiana 71102
(318) 687-0100

Brooks Instrument Division
407 W. Vine Street
Hatfield, Pennsylvania 19440
(215) 368-2000

Browning Mfg. Division
1248 E. Second Street
P.O. Box 687
Maysville, Kentucky 41506
(606) 564-5541

Commercial Cam Division
400 N. Ashland
Chicago, Illinois 60622
(312) 243-6900

Day-Brite Lighting Division
1015 S. Green Street
Drawer 1687
Tupelo, Mississippi 38801

Fusite Division
6000 Fernview Avenue
Cincinnati, Ohio 45212
(513) 731-2020

Louisville Ladder Division
1161 Algonquin Parkway
Louisville, Kentucky 40208
(501) 636-2811

Ridge Tool Division
400 Clark Street
Elyria, Ohio 44035
(216) 323-5581

Special Products Division
5657 Campus Parkway
Hazelwood, Missouri 90051

Thermo-O Disc
1320 S. Main Street
Mansfield, Ohio 44907
(419) 756-5911

U.S. Electrical Motors Division
Old Gate Lane
Milford, Connecticut 06460
(203) 878-9311

WER Industrial Division
3036 Alt Boulevard
Grand Island, New York 14072
(716) 773-2321

White-Rodgers Division
9797 Reavis Road
St. Louis, Missouri 62123
(314) 631-9797

Edwin L. Wiegand Division
7500 Thomas Boulevard
Pittsburgh, Pennsylvania 15208
(412) 242-6400

Dremel Manufacturing Division
4915 Twenty-First Street
Racine, Wisconsin 53406
(414) 637-8831

Electronics & Space Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Motor Division
8100 W. Florissant Avenue
St. Louis, Missouri 63136
(314) 553-2000

Emerson Puerto Rico, Inc.
Dorado Industrial Park
Highway 693, KM 7.3, P.O. Box 437
Dorado, Puerto Rico 00646
(809) 796-1195

Emerson Electric GmbH
Division Gustav Benz
Heerstrasse 111
Postfact 1229 West Germany
D 7050 Waiblingen

Emerson Electric Canada Limited
P.O. Box 150, Highway 48
Markham, Ontario, Canada
(416) 297-1030

ACDC Electronics Division
401 Jones Road
Oceanside, California 92054

Doric Scientific Division
3883 Ruffin Road
San Diego, California 92123

Emerson Electric Industrial Controls Division
P.O. Box 1679
Santa Ana, California 92702

Harris-Calorific Division
5501 Cass Avenue
Cleveland, Ohio 44102

A.B. Chance Company
210 North Allen Street
Centralia, Missouri 65240

Emerson Chromalox Division
8400 Pershall Road
St. Louis, Missouri 63136

In-Sink-Erator Division
4700 Twenty-First Street
Racine, Wisconsin 53406

Weed Eater Inc.
10515 Harwin Drive
Houston, Texas 77036

Statitrol Inc.
140 S. Union Boulevard
Lakewood, Colorado 80228

Rittenhouse Division

Rosemount Division

McPhilben Lighting Division

Urick Foundry Division

Tuttle Electric Division

Appleton Electric Company

Rantee Division

Electronic Navigation Industries

Branson, Inc.
Produces ultrasonic products for cleaning, metal testing and plastic welding.

Beckman Industrial, Inc.
Manufacturer of electronic components, test equipment and process control instrumentation.

Hurst, Inc.
Manufactures high performance stepper and permanent magnetic motors.

Micro Motion, Inc.
Produces mass flow measurement systems.

Computer Power Systems, Inc.
Manufactures power conditioning systems for computers.

Acquisition(s):

Automatic Switch Company
50-60 Hanover Road
Florham Park, New Jersey 07932
Design and manufacture of industrial solenoid valves and products for the control of fluids and flow of electric power.

Kiowa Corporation
Manufactures electronic motion control products.

Transfer Agent(s):

Centerre Trust Company
(Common & Preferred Shares)
510 Locust Street
St. Louis, Missouri 63101

Stock Exchange(s): New York, Midwest

Ticker Symbol: EMR

Number of Employees:

1985	61,900	1982	52,700
1984	57,000	1981	57,800
1983	50,000		

Sales and Earnings †

	Net Sales (000's)	Net Income (000's)
1985	$ 4,649,200	$ 401,100
1984	4,355,100	369,000
1983	3,635,900	319,600
1982	3,660,100	316,300
1981	3,739,500	306,200

	No. of Com. Shares ‡	Earn. per Share ‡
1985	73,913,000	$ 5.43
1984	73,853,000	5.00
1983	73,895,000	4.32
1982	73,947,000	4.28
1981	74,072,000	4.13

† Restated to included operations of Automatic Switch Company, acquired on a pooling of interests basis.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Commercial & industrial	$ 2,944,000	$ 2,698,000
Consumer products	1,150,000	1,170,000
Government & defense	555,000	487,000
Total	$ 4,649,000	$ 4,355,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.60	—	—
1984	2.30	—	—
1983	2.10	—	—
1982	2.00	—	—
1981	1.76	—	—

Common Stock Equity ‡

	Total Equity (000's)	Equity Per Share
1985	$ 2,222,200	$ 30.08
1984	2,004,400	27.13
1983	1,830,700	24.79
1982	1,680,000	22.73
1981	1,557,300	21.08

‡ Restated.

Income Account *
(000's)

Year ended Sept. 30	1985	1984 ‡
Net sales	$ 4,649,200	$ 4,355,100
Cost of sales	2,971,900	2,809,400
Expenses	937,800	862,700
Interest expense	36,800	27,700
Other expense (income)	8,600	(800)
Income before taxes	$ 694,100	$ 656,100
Income taxes	293,000	287,100
Net Income	$ 401,100	$ 369,000

* Included in Costs and Expenses. Depreciation and Amortization: $148,000,000 in 1985 and $126,500,000 in 1984.
‡ Restated.

Assets
(000's)

As of Sept. 30	1985	1984 ‡
Cash	$ 9,100	$ 18,600
Short-term invest.	79,400	133,300
Accts. receiv., net	723,200	693,100
Costs on long-term contracts	30,800	10,400
*Inventories	1,155,700	1,121,900
Other curr. assets	87,200	70,600
Current Assets	$ 2,085,400	$ 2,047,900
#Fixed assets	843,600	777,500
Other assets	327,800	308,000
Total Assets	$ 3,256,800	$ 3,133,400

Liabilities
(000's)

Long-term debt, curr.	$ 156,000	$ 207,600
Acct. payable	229,700	253,600
Accruals	301,200	292,400
Income taxes	42,300	82,600
Adv. pay. on contracts	48,600	66,100
Curr. Liabilities	$ 777,800	$ 902,300
Long-term debt	114,600	130,500
Other liab.	142,200	96,200
+ Common stock	74,500	74,400
Add. paid-in capital	100,400	100,500
Retained earnings	2,154,300	1,942,400

Emerson Electric Co.

Cum. trans. adjust	(73,000)	(84,800)
Treasury stock	(34,000)	(28,100)
Total Liabilities & Shareholders' Equity	$ 3,256,800	$ 3,133,400

‡ Restated.
* At lower of cost or market. Majority at standard costs; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.93	15.07
%Net Income to Sales	8.63	8.47
%Net Income to Equity	18.05	18.41
Sales to Inventories	4.02	3.88
Debt to Equity	0.12	0.17
Working Capital	$1,307,600,000	$1,145,600,000
Current Ratio	2.68	2.27
Shareholders' Equity	$2,222,200,000	$2,004,400,000

Emerson Radio Corp.

1 Emerson Lane
Secaucus, New Jersey 07094
(201) 865-4343

25117 SW Parkway
Wilsonville, Oregon 97070

Officers: William W. Lane, chairman; Stephen L. Lane, president; Donald Dvorkin, exec. v.p. & secretary; Saul Knazick, sr. v.p.-marketing; Harold Falik, v.p.-finance & treasurer; Kunio Takei, v.p.-foreign operations; Hachiro Masuda, v.p.-design.

Directors: William W. Lane, chairman; Stephen L. Lane; Jay M. Halt; John J. Cunningham.

Areas of Work: Designs and markets televisions, radios, tape players, clock radios and compact stereos. The company's Cardiac Resuscitator Corporation subsidiary designs and manufactures devices which automatically diagnose and treat ventricular fibrillation, the leading cause of cardiac arrest. These products include external pacemakers and automated defibrillator-pacemakers.

Subsidiaries:

Cardiac Resuscitator Corporation

1 Emerson Lane
Secaucus, New Jersey 07094
(201) 865-4343

25117 SW Parkway
Wilsonville, Oregon 97070
(503) 682-2244

Emerson Radio (HongKong) Limited
1009-1015 World Shipping Centre, 10th Floor
Harbor City Phase 1, No. 7 Canton Road
Tsim Sha Tsui, Lowloon, Hong Kong

Imatron Inc.
454 Carlton Court
South San Francisco, California 94080

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): New York

Ticker Symbol: EME

Sales and Earnings

	Net Sales	Net Income
1983	$ 95,051,000	$ 3,133,000
1982	87,781,000	256,000
1981	87,827,000	(251,000)
1980	81,694,000	1,619,000
1979	74,177,000	3,151,000

	No. of Com. Shares	Earn. per Share #
1983	8,339,360	$ 0.38
1982	4,969,917	0.03
1981	2,968,230	—
1980	2,427,445	0.21
1979	1,869,348	0.44

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1983	—	—	5-for-3
1982	—	—	5-for-3
1981	—	20%	—
1980	—	10%	—
1979	—	10% & 10%	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share
1983	$ 21,523,000	$ 2.58
1982	17,303,000	3.48
1981	16,846,000	5.68
1980	16,661,000	6.86
1979	11,103,000	5.94

Income Account *

Year ended Mar. 31	1983	1982
Net sales	$ 95,051,000	$ 87,781,000
Cost of sales	83,423,000	73,894,000
Expenses	12,798,000	11,746,000
Interest expense	3,366,000	3,313,000
Eq. in loss of Imatron	1,231,000	674,000
Gain from sale of stock	(6,639,000)	—
Gain on lease mod.	—	(1,451,000)
Gain on repurch. of deben.	—	(289,000)
Income (loss) before taxes	$ 872,000	$ (106,000)
Tax credit	(1,845,000)	(362,000)
Minority interest	(416,000)	—
Net Income	$ 3,133,000	$ 256,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,347,000 in 1983 and $1,239,000 in 1982.

Assets

As of Mar. 31	1983	1982
Cash	$ 3,533,000	$ 1,439,000
Accts. receiv., net	18,248,000	14,855,000
*Inventories	15,691,000	18,784,000
Inc. taxes receiv.	650,000	863,000
Prepaid expenses & other curr. assets	2,650,000	3,705,000
Current Assets	$ 40,772,000	$ 39,646,000
Investment in Imatron	258,000	269,000
#Fixed assets	2,255,000	2,440,000
Other assets	3,269,000	1,216,000
Total Assets	$ 46,554,000	$ 43,571,000

Liabilities

Notes & accept. payable	$ 9,509,000	$ 13,105,000
Accts. payable	1,161,000	2,407,000
Accruals	3,100,000	1,414,000
Curr. Liabilities	$ 13,770,000	$ 16,926,000
Long-term debt	10,455,000	8,597,000
Deferred inc. taxes	—	745,000
Minority interest	806,000	—
+ Common stock	835,000	499,000
Add. paid-in capital	15,641,000	14,550,000
Retained earnings	5,055,000	2,272,000
Treasury stock	(8,000)	(18,000)
Total Liabilities & Shareholders' Equity	$ 46,554,000	$ 43,571,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.92	—
%Net Income to Sales	3.30	0.29
%Net Income to Equity	14.56	1.48
Sales to Inventories	6.06	4.67
Working Capital	$27,002,000	$22,720,000
Current Ratio	2.96	2.34
Shareholders' Equity	$21,523,000	$17,303,000

Emhart Corporation

426 Colt Highway
Farmington, Connecticut 06032
(203) 678-3000

Mailing Address:

P.O. Box 2730
Hartford, Connecticut 06101

Officers: Peter L. Scott, chairman of the board & chief exec. officer; William C. Lichtenfels, president & chief operating officer; Stephen J. Ruffi, vice chairman & chief administrative officer; Enos H. Arnold, controller; Ralph M. Branca, v.p.-development; John F. Budd, Jr., v.p.-external relations; Sherman B. Carpenter, sr. v.p.; Royal E. Cowles, v.p.-human resources; Dean M. Hennessy, v.p. & general counsel; Leo T. Hinkley, Jr., v.p.-operations staff; Richard L. Cote, v.p. & chief accounting officer; Gilbert O'Neil, v.p.-investor relations; David W. Dandro, v.p.-information systems; Carl A. Horne, v.p. & tax counsel; C. Morgan Hussey, secretary; Walter A. Jaeger, v.p.-manufacturing staff; Achim Knust, sr. v.p.-finance; John S. Rydz, v.p.-technology; J. Michael Stepp, treasurer; Tom Bleasdale, Raymond A. DeVita, Fred M. Hollfelder, Thomas T. Gately, Kenneth A. Josephson, Robert R. Quackenbush, v.p.'s & group presidents; William F. Scanlon, A. Peter Clackson, group presidents.

Directors: Peter L. Scott*, chairman; Richard S. Bodman, Hershner Cross, William B. Ellis, James F. English, Jr.*, T. Mitchell Ford*, William C. Lichtenfels, Charles H. Kaman*, Augustus P. Loring*, Michael Scott Morton, Wilson Wilde*, Stephen J. Ruffi, Marion S. Kellogg.

*Member of the Executive Committee.

Areas of Work: The Company's Electrical Electronic Group manufactures aluminum and tantalum electrolytic capacitors, motor run capacitors and audible signal devices. Also produces electro-mechanical timing devices, synchronous motors, electronic assemblies and components, carbon and wire wound controls, and switches; solid state control systems; hydrocarbon detection systems; smoke, gas and burglary detection devices; industrial and commercial fire protection and monitoring systems; equipment for sequencing and inserting or mounting electronic components for printed circuit boards and ceramic substrates, vapor phase soldering systems. Other areas of work include hardware store equipment, shoe machinery and shoe materials, chemicals and fasteners, glass container making machinery, rubber and plastics machinery, metalworking machinery and gear manufacturing machinery.

Subsidiaries:

Esser Sicherheitstechnik, GmbH
Produces fire detection and alarm systems.

Dage Precima International, Limited
Manufactures chip placement machinery and equipment for semiconductor assembly.

Bermarflex S.p.A.
Manufactures insoles for footwear.

Manquinas Imacal Mohrbach, Ltda.
Shoe machinery manufacturer.

MITE Corporation
Manufacturer of highly engineered fasteners, also manufactures time stamps and recorders, precision spindles, document perforators and hydraulic control devices.

Transfer Agent(s):

The Connecticut Bank & Trust Company, N.A.
One Constitution Plaza
Hartford, Connecticut 06115

Stock Exchange(s): New York, London, Frankfurt

Ticker Symbol: EMH

Number of Employees:

1985	30,422	1982	29,252
1984	28,944	1981	32,349
1983	29,502		

Plant Footage*:

1985	10,055,000 sq.ft.	1983	8,209,500
1984	7,823,000	1982	8,226,000

* Includes only owned domestic properties.

Sales and Earnings

	Revenues (000's)	Net Income (000's)
1985	$ 1,775,400	$ 80,500
1984	1,794,500	90,400
1983	1,685,600	84,300
1982	1,710,400	80,200
1981	1,747,100	75,500

	No. of Com. Shares +	Earn. per Share #
1985	27,696,000	$ 2.90
1984	27,552,000	3.27
1983	27,408,000	3.06
1982	27,223,000	2.97
1981	26,406,000	2.75

+ Adjusted to reflect stock dividend and stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Revenues By Line of Business
(000's)

	1985	1984
Hardware prod.	$ 339,300	$ 325,000
Store equipment	53,000	115,800
Chemical & allied prod.	257,000	261,200
Fasteners & indus. prod.	271,200	202,300
Electronic & elec. comp.	238,500	246,400
Footwear	290,900	326,900
Industrial	325,500	316,900
Total	$ 1,775,400	$ 1,794,500

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$1.40	—	—
1984	1.27	10%	—
1983	1.20	—	2-for-1
1982	1.12	—	—
1981	1.09	—	—

# Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1985	$ 606,400,000	$ 21.89
1984	529,500,000	19.22
1983	507,502,000	18.52
1982	478,232,000	17.57
1981	454,040,550	17.19

† After allowing for preferred stock at liquidation value.
‡ Adjusted to reflect stock split and stock dividend.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Revenues	$ 1,775,400	$ 1,794,500
Cost of sales	1,192,900	1,202,200
Expenses	435,800	417,500
Interest expense	31,800	20,300
Other expense (income)	(22,000)	1,900
Income before taxes	$ 136,900	$ 152,600
Income taxes	56,400	62,200
Net Income	$ 80,500	$ 90,400

* Included in Costs and Expenses, Depreciation and Amortization: $56,100,000 in 1985 and $46,700,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 13,600	$ 15,200
Short-term invest.	30,700	42,700
Receiv., net	351,500	271,700
*Inventories	410,600	329,000
Def. inc. tax benefits	23,000	16,400
Prepaid expenses	36,000	11,200
Current Assets	$ 865,400	$ 686,200
Depreciable assets	450,600	307,900
Intangibles and other assets	207,300	65,500
Total Assets	$ 1,523,300	$ 1,059,600

Liabilities
(000's)

	1985	1984
Notes payable	$ 94,300	$ 54,100
Accts. payable	128,800	92,300
Accruals & other liab.	214,800	157,000
Income taxes	36,600	11,800
Curr. Liabilities	$ 474,500	$ 315,200
Long-term debt	326,100	128,200
Unfunded pension liab.	42,800	34,400
Deferred inc. taxes	47,000	38,300
Other liab.	23,500	10,500
+ Preferred stock	1,600	1,900
+ + Common stock	30,600	30,500
Add. paid-in capital	258,600	257,300
Retained earnings	443,600	402,000
Treasury stock	(49,800)	(49,800)
Cum. trans. adjust.	(75,200)	(108,900)
Total Liabilities & Shareholders' Equity	$ 1,523,300	$ 1,059,600

* At lower of cost (LIFO) or market.
+ No par value.
+ + $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	7.71	8.50
%Net Income to Sales	4.53	5.04
%Net Income to Equity	13.21	16.96
Sales to Inventories	4.32	5.45
Debt to Equity	0.69	0.34
Working Capital	$390,900,000	$371,000,000
Current Ratio	1.82	2.18
Shareholders' Equity	$609,400,000	$533,000,000

Energy Conversion Devices, Inc.

1675 West Maple Road
Troy, Michigan 48084
(313) 280-1900

Officers: Ralph F. Leach, chairman of the board; Stanford R. Ovshinsky, president & chief exec. officer; Jack T. Conway, vice chairman; Robert R. Johnson, sr. v.p.-information systems; Nancy M. Bacon, v.p.-finance & treasurer; Robert E. Dyas, v.p.-marketing & sales; Stephen J. Hudgens v.p.-research & development; Rikuma Ito, exec. v.p.; Masatsugu Izu, v.p.-Photovoltaic Manufacturing Development; James J. Trebilcott, exec. v.p.; Iris M. Ovshinsky, Hellmut Fritzsche, v.p.'s; Momoko Ito, v.p.-int'l business relations; John P. deNeufville, v.p.-ChemOvonics; Lawrence G. Norris, v.p. & corporate counsel; Lionel Robbins, v.p.-corporate affairs.

Directors: Hellmut Fritzsche, Morton Levine, Iris M. Ovshinsky, Stanford R. Ovshinsky, Jack T. Conway, Donald C. Webster, Richard H. Cummings, Ralph F. Leach, Stanley Stynes, Nancy M. Bacon, Momoko Ito, Robert R. Wilson, Robert R. Johnson, John P. deNeufville, James W. Birkenstock, James J. Trebilcott, Edwin O. Reischauer, Arthur R. Seder, Jr.

Areas of Work: Develops amorphous materials technology for products in three areas: energy, information and synthetic materials. Applications include photovoltaics, thermoelectrics, batteries, flat-panel displays, optical memories, electrophotographic drums, wear-resistant coatings and X-ray mirrors.

Divisions and Subsidiaries:

Ovonic ThermoElectric Company
ThermOvonics Company, Ltd.
Ovonic Display Systems, Inc.
Ovonic Synthetic Materials Company
Japan-ECD Company, Ltd.
Ovonics, Inc.
ChemOvonic Machine & Engineering Company
Machine Building Division

Joint Venture(s):

Ovonic Battery Company
Sharp-ECD Solar

Partnerships

Sovonics Solar Systems
Sovonics Solar Technology

Transfer Agent(s):

National Bank of Detroit
Stock Transfer Department
611 Woodward Avenue
Detroit, Michigan 48226

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ENER (NASDAQ)

Number of Employees:

1985	460	1982	297
1984	393	1981	217
1983	313		

Plant Footage:

1985	175,810 sq. ft.	1982	106,030
1984	150,050	1981	93,550
1983	120,310		

Sales and Earnings

	Net Revenues	Net Income †
1985	$ 30,110,309	$ (14,888,486)
1984	29,227,768	(8,848,108)
1983	20,540,709	(5,116,186)
1982	22,626,973	(1,574,651)
1981	15,870,114	1,381,536

	No. of Com. Shares #	Earn. per Share#
1985	4,356,842	$ —
1984	4,051,586	—
1983	3,185,404	—
1982	2,957,458	—
1981	2,819,338	0.49

(Loss)
† Including extraordinary gain of $690,000 ($0.24 per share) in 1981.
# Based on the monthly average number of Class A common and common shares combined.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 15,022,200	$ 3.45
1984	25,916,082	6.40
1983	19,267,565	6.05
1982	8,539,274	2.89
1981	8,047,400	2.85

‡ Based on the monthly average number of Class A common and common shares combined.

Income Account *

Year ended June 30	1985	1984
Revenues	$ 30,110,309	$ 29,227,768
Cost of revenues	26,201,278	25,915,271
Cost of prod. sales	1,090,426	454,139
Product develop. exp.	8,156,654	3,416,541
Patent expenses	1,282,731	1,100,908
Oper. expenses	7,963,940	3,867,905
Interest expense	303,766	321,112
Repurch. of technology	—	3,000,000
Net Loss	$ (14,888,486)	$ (8,848,108)

Energy Conversion Devices, Inc.

* Included in Costs and Expenses, Depreciation and Amortization: $2,318,037 in 1984.

Assets

As of June 30	1985	1984
Cash & short-term invest.	$ 10,902,185	$ 24,417,110
Accts. receiv., net	3,648,511	2,062,876
Prepaid expenses & other assets	1,111,925	635,053
Current Assets	$ 15,662,621	$ 27,115,039
#Fixed assets	13,792,366	8,973,188
Other assets	587,148	1,241,448
Total Assets	$ 30,042,135	$ 37,329,675

Liabilities

	1985	1984
Long-term debt, curr.	$ 1,030,015	$ 774,760
Accts. payable	5,475,374	3,199,573
Accrued payroll	890,636	522,264
Adv. from partners	—	3,043,613
Deferred prod. develop. revenues	5,545,302	595,248
Curr. Liabilities	$ 12,941,327	$ 8,135,458
Long-term debt	908,608	2,078,135
Long-term deferred rev.	1,170,000	1,200,000
+ Common stock, Class A	2,199	2,199
+ Common stock	42,425	40,573
Add. paid-in capital	74,509,395	70,516,643
Retained earnings (deficit)	(59,531,819)	(44,643,333)
Total Liabilities & Shareholders' Equity	$ 30,042,135	$ 37,329,675

Less accumulated depreciation and amortization
+ $0.01 par value

Statistical Summary

Debt to Equity	1.13	0.11
Working Capital	$ 2,721,294	$18,979,581
Current Ratio	1.21	3.33
Shareholders' Equity	$15,022,200	$25,916,082

EPSCO, Incorporated

411 Providence Highway
Westwood, Massachusetts 02090
(617) 329-1500

Officers: Wayne P. Coffin, president & chief executive officer; Edward Barton, v.p.-programs & contracts; Victor F. Camilleri, v.p.-mfg.; John B. Langley, II, v.p. & gen. mgr.-Microwave Division; Charles J. Dockendorff, v.p. & treasurer; Richard D. Posner, v.p. & gen. mgr.-RF Division; Sidney Werlin, clerk & secretary.

Directors: Robert Raymond, chairman; Wayne P. Coffin, Walter W. Curcio, Richard N. Hokin, Kenneth F. Dietz, Sidney Werlin, James H. Furneaux, Samuel Labate.

Areas of Work: Designs and manufactures RF Microwave systems and components, special test and simulation equipment and navigation systems for both defense and commercial aplications.

Divisions:

RF Division
31355 Agoura Road
Westlake Village, California 91361

Microwave Division

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EPSC (NASDAQ)

Number of Employees:

1985	207	1982	175
1984	165	1981	240
1983	175		

Plant Footage:

1985	85,000 sq. ft.	1982	60,000
1984	60,000	1981	60,000
1983	60,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 12,029,100	$ 550,500
1984	10,313,700	501,000
1983	12,010,300	(1,160,000)
1982	13,092,186	(1,275,000)
1981	15,402,055	491,410

	No. of Com. Shares#	Earn. per Share #
1985	1,342,200	$ 0.41
1984	1,342,000	0.37
1983	1,317,500	—
1982	1,299,100	—
1981	1,292,900	0.38

(Loss)
Based on the average number of shares outstanding

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 9,473,700	$ 7.06
1984	8,919,500	6.65
1983	8,418,500	6.39
1982	9,535,705	7.34
1981	10,810,705	8.36

Based on the average number of shares outstanding

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 12,029,100	$ 10,313,700
Cost of sales	7,881,300	7,074,700
Expenses	3,648,300	2,960,000
Oper. inc.	$ 499,500	$ 279,000
Interest income	(346,800)	(526,000)
Interest expense	160,800	180,000
Income before taxes	$ 685,500	$ 625,000
Income taxes	135,000	124,000
Net Income	$ 550,500	$ 501,000

* Included in Costs and Expenses, Depreciation and Amortization: $519,200 in 1985 and $350,400 in 1984.

Assets

As of Dec. 31	1985	1984
Cash and equivalents	$ 3,100,100	$ 5,349,800
Accts. & notes receiv., net	467,800	611,700
Long-term contracts	3,531,300	2,555,600
*Inventories	2,391,900	1,813,200
Prepaid expenses	66,500	32,600
Current Assets	$ 9,557,600	$ 10,362,900
#Fixed assets	2,035,500	1,523,100
Purchased technology	862,700	—
Total Assets	$ 12,455,800	$ 11,886,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 250,000	$ 250,000
Accts. payable	739,300	796,700
Accruals	768,000	385,200
Commissions	129,900	102,700
Curr. Liabilities	$ 1,720,100	$ 1,534,600
Long-term debt	1,000,000	1,250,000
Deferred income taxes	262,000	181,900
+ Common stock	1,383,200	1,382,600
Add. paid in capital	9,446,700	9,443,600
Deficit	(1,267,000)	(1,817,500)
Treasury stock	(89,200)	(89,200)
Total Liabilities & Shareholders' Equity	$ 12,455,800	$ 11,886,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

%Income bef. Taxes to Sales	5.70	6.06
%Net Income to Sales	4.58	4.86
%Net Income to Equity	5.81	5.62
Sales to Inventories	5.03	5.69
Debt to Equity	0.11	0.17
Working Capital	$7,837,500	$8,828,300
Current Ratio	5.56	6.75
Shareholders' Equity	$9,473,700	$8,919,500

Esquire Radio & Electronics, Inc.

4100 1st Avenue
Brooklyn, New York 11232
(718) 499-0020

Officers: A. Robert Lieberman, chairman of the board & president; Simon Lynn, executive v.p.; Paul Smith, v.p.-engineering; Nicholas Maffei, v.p.-sales; Harvey Lieberman, v.p.-manufacturing; Gilbert Sherr, treasurer; Joshua Levine, secretary & counsel.

Directors: A. Robert Lieberman, chairman; Simon Lynn, Paul Smith, Gertrude Lieberman, Monte Levin.

Areas of Work: Manufactures and imports consumer electronic products such as VCRs, color televisions, telephones and microwave ovens.

Subsidiaries:

Tangent Industries, Ltd.
Provides repair and factory refurbishing services.

Transfer Agent(s):

Republic National Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: EE

Number of Employees:

1985	N.A.	1983	55
1984	44	1982	235

N.A.-Not Available.

Plant Footage:

1985	217,000 sq. ft.	1982	480,000
1984	440,000	1981	522,000
1983	480,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,970,528	$ (55,042)
1984	10,488,187	851,960
1983	67,567,898	2,261,483
1982	63,608,115	2,087,215
1981	68,036,462	2,660,226

	No. of Com. Shares #	Earn. per Share #
1985	483,000	$ —
1984	483,000	1.76
1983	483,000	4.68
1982	483,000	4.32
1981	483,000	5.51

(Loss)
Based on the weighted average number of shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.72	—	—
1984	0.72	—	—

1983	0.72	—	—
1982	0.81	—	—
1981	0.66	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 20,052,798	$ 41.52
1984	20,455,600	42.35
1983	19,951,400	41.31
1982	18,037,677	37.35
1981	16,341,692	33.83

Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 3,970,528	$ 10,488,187
Cost of sales	4,503,394	10,051,330
Expenses	1,761,397	1,449,726
Interest income	(2,174,438)	(1,919,766)
Inc. (loss) bef. taxes	$ (119,825)	$ 906,897
Income taxes (credit)	(64,783)	54,937
Net Income (Loss)	$ (55,042)	$ 851,960

* Included in Costs and Expenses, Depreciation and Amortization: $209,690 in 1985 and $161,713 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 20,814,940	$ 23,771,582
Accts. receiv., net	1,276,783	43,611
*Inventories	2,775,330	
Prepaid expenses	279,476	447,049
Current Assets	$ 25,146,529	$ 24,262,242
#Fixed assets	308,858	518,548
Deferred comp. fund	793,751	711,933
Total Assets	$ 26,249,138	$ 25,492,723

Liabilities

Prov. for claims	$ 5,096,380	$ 4,168,324
Accts. payable & accruals	825,340	690,442
Curr. Liabilities	$ 5,921,720	$ 4,858,766
Deferred comp.	274,620	178,357
+ Common stock	65,126	65,126
Add. paid-in capital	640,209	640,209
Retained earnings	21,285,627	21,688,429
Treasury stock	(1,938,164)	(1,938,164)
Total Liabilities & Shareholders' Equity	$ 26,249,138	$ 25,492,723

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.65
%Net Income to Sales	—	8.12
%Net Income to Equity	—	4.16
Sales to Inventories	1.43	—
Working Capital	$19,224,809	$19,403,476
Current Ratio	4.25	4.99
Shareholders' Equity	$20,052,798	$20,455,600

Esterline Corporation

CBT Plaza
1120 Post Road
Darien, Connecticut 06820
(203) 655-7651

Officers: Bushrod W. Burns, chairman of the board; Thomas P. Howes, president & chief executive officer; John J. Kane, Theodore F. Brolund, v.p.'s & group executives; John H. MacDonald, v.p. & treasurer; Robert A. Goldschmidt, v.p. & controller; Robert D. Farley, v.p., secretary & general counsel; H.F. Doolittle, v.p.-corp. development; Thomas F. Gavin, v.p.-corp. relations; Stephen H. LaCourt, asst. gen. counsel & asst. secretary; Peter T. Taurchini, asst. controller.

Directors: Charles H. Dyson, Secor D. Browne, Robert F. Goldhammer, Bushrod W. Burns, Donald J. Jones, Thomas P. Howes, Anne E. Dyson, Lee L. Davenport, Robert S. Ames.

Areas of Work: Manufactures products principally in the fields of automation, quality control and instrumentation.

Divisions and Subsidiaries:

Automation:

Boyar-Schultz Corporation
702 South Main Street
Rockford, Illinois 61105
Manufactures surface and contour grinding machines for general manufacturing and tool room operations.

Equipment Sales Company, Inc.
70 Industrial Avenue
Lowell, Massachusetts
Produces automated equipment for bareboard testing as well as shorts and opens testing of assembled printed circuit boards.

Hollis Automation, Inc.
15 Charron Avenue
Nashua, New Hampshire 03063
Automated systems for wave soldering and cleaning of printed circuit board assemblies and related equipment.

W.A. Whitney Corporation
650 Race Street
Rockford, Illinois 61105
(815) 964-6771

W.A. Whitney Italia, S.p.A.
Strada Del Francese 130/9
Turin 10156, Italy
Manufactures automated equipment for sheet metal, plate, and structural steel fabrication.

Excellon Industries, Inc.
23915 Garnier Street
Torrance, California 90509
(213) 352-8000

Excellon Automation
23915 Garnier Street
Torrance, California 90509
(213) 325-8000
Manufactures automated printed circuit board drilling and routing machinery and optical programming systems of such machinery.

Excellon International
Dominion Way
Rustington, Littlehampton
West Sussex
England BN 163 HQ
Manufacture automated printed board production machinery, manual printed circuit board drilling and routing machinery.

Excellon Europa GmbH
Justus-von-Liebig-Str. 19
D-6057 Dietzenbach/BRD
West Germany

Tulon, Inc.
15209 South Broadway
Gardena, California 90248
(213) 532-1040
Produces tungsten carbide printed circuit board drills and metal cutting tools.

Quality Control:

Federal Products Corporation
1144 Eddy Street
Providence, Rhode Island 02901
(401) 781-9300
Produces analog and digital dimensional measurement and inspection instruments for industrial quality control applications.

A.G. Davis Gage & Engineering Company
21435 Dequindre Road
Hazel Park, Michigan 48030
(313) 548-9444
Manufactures large dimensional measurement systems, automated index tables, and work holders.

Federal Gages Ltd. (70% owned by Federal Products Corp.)
Brick Knoll Park, Ashley Road
St. Albans, AL1 SPL
Herts, England

Instrumentation:

Esterline Angus Instrument Corporation
1201 Main Street
Indianapolis, Indiana 46224
(317) 244-7611
Manufactures analog and digital recording instruments, analytical process monitoring and control instrumentation.

Scientific Columbus, Inc.
1900 Arlingate Lane
Columbus, Ohio 43228
(614) 294-5671
Products include: Analog and digital electronic meters, transducers, and instruments for monitoring, billing, and controlling electric power.

Auxitrol S.A.
1, Rue d'Anjou BP241
92603 Asnieres, France

Auxitrol Iberico S.A.
C/Caucho s/n, Poligono-Industrial
Apartado num. 30
Torrejon de Ardoz,
(Madrid) Spain

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

The First Jersey National Bank
One Exchange Place
Jersey City, New Jersey 07302

Stock Exchange(s): New York

Ticker Symbol: ESL

Sales and Earnings

	Net Sales +	Net Income
1985	$ 254,252,000	$ 2,163,000
1984	260,595,000	18,037,000
1983	187,677,000	7,685,000
1982	194,422,000	10,645,000
1981	223,682,000	19,684,000

	No. of Com. Shares #	Earn. per Share #
1985	8,444,000	$ 0.26
1984	8,446,000	2.14
1983	8,446,000	0.91
1982	8,461,000	1.26
1981	8,492,000	2.32

+ Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Automation	$ 135,939	$ 159,816
Metrology	61,498	50,933
Instrumentation	56,815	49,846
Total	$ 254,252	$ 260,595

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.72	—	—
1984	0.66	—	—

1983	0.64	—	—
1982	0.64	—	—
1981	0.62	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 103,547,000	$ 12.26
1984	106,336,000	12.59
1983	94,961,000	11.24
1982	93,628,000	11.07
1981	90,625,000	10.67

# Based on the average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Net sales	$ 254,252	$ 260,595
Cost of sales	159,582	149,734
Expenses	84,969	76,446
Interest expense	5,021	4,344
Interest income	(593)	(2,069)
Prov. for loss on divest.	2,899	—
Income before taxes	$ 2,374	$ 32,140
Income taxes	1,050	15,302
Inc.-cont. oper.	$ 1,324	$ 16,838
Inc.-discont. oper.	—	1,199
Net Income	$ 1,324	$ 18,037

* Included in Costs and Expenses, Depreciation and Amortization: $7,060,000 in 1985 and $5,580,000 in 1984.

Assets
(000's)

As of Oct. 31	1985	1984
Cash	$ 5,181	$ 20,479
Accts. & notes receiv., net	46,040	47,870
*Inventories	72,968	65,476
Assets of discont. oper.	—	3,106
Prepaid expenses	2,280	1,720
Deferred income taxes	5,542	1,695
Current Assets	$ 132,011	$ 140,346
#Fixed assets	46,698	32,820
Other assets	3,022	2,513
Assets of discont. oper.	—	5,978
Intangibles	25,113	11,075
Total Assets	$ 206,844	$ 192,732

Liabilities
(000's)

Notes payable	$ 26,188	$ 5,386
Long-term debt, curr.	1,796	1,520
Accts. payable	17,037	17,835
Accruals	23,639	23,793
Income taxes	1,303	4,727
Curr. Liabilities	$ 69,963	$ 53,261
Long-term debt	30,661	31,204
Other liabilities	2,673	1,931
+ Common stock	1,732	1,732
Add. paid-in capital	13,891	13,891
Retained earnings	94,120	98,037
Cumulative translation adjustments	(4,695)	(5,823)
Treasury stock	(1,501)	(1,501)
Total Liabilities & Shareholders' Equity	$ 206,844	$ 192,732

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.93	—
%Net Income to Sales	0.52	—
%Net Income to Equity	1.28	16.96
Sales to Inventories	3.48	3.98
Debt to Equity	0.57	0.36
Working Capital	$ 62,048,000	$ 87,085,000
Current Ratio	1.89	2.64
Shareholders' Equity	$103,547,000	$106,336,000

E-Systems, Inc.

6250 LBJ Freeway
P.O. Box 660248
Dallas, Texas 75266
(214) 661-1000

Officers: John W. Dixon, chairman of the board & chief exec. officer; David R. Tacke, president & chief operating officer; E. Gene Keiffer, sr. v.p.-electronics systems group; A. Lowell Lawson, sr. v.p.-aircraft systems group; Eugene E. Berg, v.p.-corporate planning; James W. Crowley, v.p., secretary & general counsel; Lee M. Crutchfield, v.p.-corporate administration; T.D. Kelly, v.p.-finance & chief financial officer; James W. Pope, v.p. & controller; Joe W. Russell, v.p.-corp. relations; Eaton Adams, Jr., v.p.-government & international operations; Harry L. Thurmon, v.p.-new business development; Charles R. Farmer, Jr., v.p. & gen. mgr.-Garland Division; John A. Farrington, treasurer.

Directors: John W. Dixon, chairman; E.F. Buehring, Duward L. Crow, LeVan Griffis, S. Lee Kling, Francine I. Neff, W.F. Raborn, D.R. Tacke, A. Lowell Lawson, E. Gene Keiffer.

Areas of Work: Engaged in the development and production of command and control systems and equipment primarily for defense applications on a worldwide basis. Complete systems have included clear and secure communication systems, large-scale data processing systems, software, data-link terminals, displays, and related antennas. Produces and develops electronic warfare systems and electromagnetic support equipment; intelligence processing, which includes signal processing systems, computer systems, and modeling, and systems studies; intelligence collection, which includes signal collection systems and systems studies; tactical/security electronics which includes jamming and deception systems, electronic counter-measure systems, radar homing and warning systems, fuzing and timing devices, intrusion detection devices, and special-purpose devices. Engaged in the production of tactical radios and military communications systems and equipment, and guidance and navigation systems; also produces information handling and data-display systems, flight control systems, and electronic components, including resistors, rheostats and switches. Also engaged in aircraft overhaul, maintenance and modification.

Divisions and Subsidiaries:

Electronics Systems Group

Garland Division
P.O. Box 660023
Dallas, Texas 75266
(214) 272-0515

Melpar Division
7700 Arlington Boulevard
Falls Church, Virginia 22046
(703) 560-5000

Montek Division
2268 South 3270 West
Salt Lake City, Utah 84119
(801) 973-4300

Aircraft Systems Group

Greenville Division
P.O. Box 1056
Greenville, Texas 75401
(214) 455-3450

Serv-Air, Inc.
P.O. Box 1669
Greenville, Texas 75401
(214) 454-2000

Air Asia Company Limited
Tainan Airfield
Tainan, Taiwan 700
Republic of China

ECI Division
P.O. Box 12248
1501 72nd Street No.
St. Petersburg, Florida 33733
(813) 381-2000

Center for Advanced Planning and Analysis
1 Flint-Hill Office Park
10530 Rosehaven Street, Suite 200
Fairfax, Virginia 22030
(703) 352-0300

Communications Manufacturing Division
P.O. Box 33010
St. Petersburg, Florida 33733
(813) 381-1151

Transfer Agent(s):

MBank Dallas, N.A.
P.O. Box 225415
Dallas, Texas 75265

Stock Exchange(s): New York, London

Ticker Symbol: ESY

Number of Employees:

1985	13,405	1982	12,142
1984	11,984	1981	11,771
1983	11,941		

Plant Footage:

1985	5,600,000 sq. ft.	1982	5,000,000
1984	5,000,000	1981	4,600,000
1983	5,000,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 926,753,000	$ 44,982,000
1984	779,678,000	61,109,000
1983	776,969,000	55,246,000
1982	701,490,000	35,779,000
1981	535,502,000	23,837,000

	No. of Com Shares †	Earn. per Share ‡
1985	30,035,797	$ 1.47
1984	29,687,373	2.02
1983	29,314,719	1.82
1982	28,808,262	1.21
1981	27,911,180	0.84

+ Of continuing operations only.
† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Electronics warfare	$ 613,451	$ 464,018
Command, control & communications	131,152	177,275
Guidance, control & navigation	61,478	52,004
Aircraft maintenance & modification	120,672	86,381
Total	$ 926,753	$ 779,678

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.50	—	—
1984	0.50	—	—
1983	0.44	—	2-for-1
1982	0.33	—	—
1981	0.25	—	2-for-1

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 320,989,000	$ 10.69
1984	285,954,000	9.63

1983	238,333,000	8.13
1982	190,970,000	6.63
1981	159,387,000	5.71

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec 31	1985	1984
Net sales	$ 926,753	$ 779,678
Other income	4,678	6,605
Total Income	$ 931,431	$ 786,283
Cost of sales	759,330	610,993
Expenses	75,716	70,492
Interest expense	1,223	2,121
Income before taxes	$ 95,162	$ 102,677
Income taxes	35,686	40,721
Inc. - cont. oper.	$ 59,476	$ 61,956
Loss - discont. oper.	(14,494)	(847)
Net Income	$ 44,982	$ 61,109

* Included in Costs and Expenses, Depreciation and Amortization: $18,188,000 in 1985 and $14,576,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & securities	$ 10,029	$ 10,089
Short-term investments	39,707	52,576
Accts. receiv., net	108,187	93,249
Unreimbursed costs & fees	59,788	48,896
Fixed-price contracts	85,970	77,861
Raw materials & purch. parts	10,895	8,949
Other assets	8,243	4,952
Def. inc. tax charges	4,787	—
Current Assets	$ 327,606	$ 296,572
#Fixed assets	149,625	114,208
Defer. charges & other assets	1,571	4,458
Total Assets	$ 478,802	$ 415,238

Liabilities
(000's)

Accts. payable	$ 40,829	$ 33,156
Accruals	71,586	59,660
Income taxes	—	5,359
Curr. Liabilities	$ 112,415	$ 98,175
Long-term debt	19,316	13,855
Deferred items	26,082	17,254
+ Common stock	30,036	29,687
Add. paid-in capital	64,282	59,838
Retained earnings	229,221	199,207
Def. employee benefit	(2,550)	(2,778)
Total Liabilities & Shareholders' Equity	$ 478,802	$ 415,238

# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Equity	14.01	21.37
Debt to Equity	0.06	0.05
Working Capital	$215,191,000	$198,397,000
Current Ratio	2.91	3.02
Shareholders' Equity	$320,989,000	$285,954,000

Evans & Sutherland Computer Corporation

580 Arapeen Drive
P.O. Box 8700
Salt Lake City, Utah 84108
(801) 582-5847

Officers: David C. Evans, chairman of the board, president & chief executive officer; Rodney S. Rougelot, exec. v.p. & chief operating officer; Richard F. Leahy, v.p. & secretary-treasurer; Gary E. Meredith, James L. Conklin, Jack L. Halvorsen, Gary S. Watkins, Robert A. Schumacker, vice presidents; J. Robert Driggs, v.p. & chief financial officer.

Directors: David C. Evans, chairman; Ivan E. Sutherland, Peter O. Crisp, Rodney S. Rougelot, Stewart Carrell, Henry N. Christiansen.

Areas of Work: Designs, manufactures, markets and services special purpose digital computers and software systems used in various operations which are aided by or require visual presentation of a digital model stored in the computer memory. Applications include pilot training simulators, design engineering work stations, graphics art design work stations and scientific research.

Subsidiaries:

Shape Data Ltd.
Cambridge, England

Develops, markets and services computer software products for use in geometric mechanical modeling and consulting services related to computer aided design.

Unicad, Inc. (92% owned)

Engaged in the development of specialized software for computer aided design.

Transfer Agent(s):

Zions First National Bank, N.A.
One South Main Street
Salt Lake City, Utah 84111

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ESCC (NASDAQ)

Number of Employees:

1985	1,000	1982	775
1984	915	1981	625
1983	850		

Plant Footage:

1985	308,000 sq. ft.	1982	160,000
1984	260,000	1981	147,000
1983	260,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 79,588,000	$ 6,191,000
1984	70,116,000	7,309,000
1983	60,585,000	10,827,000
1982*	53,736,000	9,812,000
1981	46,439,000	9,440,000

	No. of Com. Shares #	Earn. per Share #
1985	8,638,698	$ 0.72
1984	8,826,367	0.83
1983	8,918,265	1.21
1982*	8,916,812	1.10
1981	8,603,143	1.07

* 53 weeks.
# Based on the weighted average number of common shares and common share equivalents outstanding fully diluted, adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 65,238,000	$ 7.55
1984	70,100,000	7.94
1983	62,031,000	6.96
1982	49,525,000	5.55
1981	38,858,000	4.52

# Based on the weighted average number of common shares and common share equivalents outstanding fully diluted, adjusted to reflect stock split.

Income Account *

Year ended	12/27/85	12/28/84
Net sales	$ 79,588,316	$ 70,116,171
Cost of sales	39,904,641	38,431,051
Expenses	32,363,920	22,520,659
Interest income	(2,100,230)	(2,849,616)
Interest expense	221,824	239,613
Other expense (income)	(753,868)	194,103
Minority interest	(76,375)	(142,393)
Income before taxes	$ 10,028,404	$ 11,722,754
Income taxes	3,837,828	4,413,636
Net Income	$ 6,190,576	$ 7,309,118

* Included in Costs and Expenses, Depreciation and Amortization: $4,631,561 in 1985 and $3,698,494 in 1984.

Assets

As of	12/17/85	12/28/84
Cash & temp. cash invest.	$ 17,805,779	$ 28,485,660
Receivables, net	27,719,669	26,550,857
Costs in exc. of billings	3,758,399	521,216
*Inventories	17,296,467	12,592,766
Prepaid expenses	4,591,951	4,949,627
Current Assets	$ 71,172,265	$ 73,100,126
Investments	4,805,740	4,360,268
#Fixed assets	32,948,450	19,768,938
Other assets	405,761	465,585
Total Assets	$ 109,332,216	$ 97,694,917

Liabilities

Notes payable	$ 8,787,429	$ —
Long-term debt, curr.	227,343	1,313,088
Accts. payable	2,354,057	2,478,169
Accruals	6,646,629	5,741,314
Billings in exc. of costs	3,996,825	2,071,900
Cust. deposits	1,514,449	1,490,258
Deferred Income taxes	12,241,781	9,931,174
Curr. Liabilities	$ 35,768,513	$ 23,025,903
Long-term debt	5,036,722	461,144
Deferred income taxes	3,288,719	4,036,231
Minority interest	—	71,844
+ Common stock	1,615,338	1,769,350
Add. paid-in capital	8,930,030	19,856,988
Retained earnings	54,710,130	48,519,554
For. curr. trans. adjust.	(17,236)	(17,236)
Treasury stock	—	(28,861)
Total Liabilities & Shareholders' Equity	$ 109,332,216	$ 97,694,917

* Raw materials at lower of weighted average cost or market. Finished foods and work in progress stated at accum. mfg. costs, not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.60	16.72
%Net Income to Sales	7.78	10.42
%Net Income to Equity	9.49	10.43
Sales to Inventories	4.60	5.57
Debt to Equity	0.22	0.03
Working Capital	$35,403,752	$50,074,223
Current Ratio	1.99	3.17
Shareholders' Equity	$65,238,262	$70,099,795

Ex-Cell-O Corporation

2855 Coolidge Road
Troy, Michigan 48084
(313) 637-1000

Officers: E. Paul Casey, chairman, president & chief exec. officer; Seymour S. Feuer, exec. v.p.; Derek Plummer, Otto Kern, E. Earl Fleck, group v.p.'s; Walter B. Fisher, v.p. & controller; J. William Lenz, v.p.-human resources; Richard A. McWhirter, sr. v.p.-finance; Alan D. MacDonald, v.p., secretary & general counsel; Thomas J. Stuart, v.p. & treasurer; Terry W. Wilson, v.p.-communications; John F. Ullrich, v.p.-strategic management; Edward T. Veale, v.p.; Henry E. Gajewski, v.p.-facilities & operational services; John G. Turner, asst. v.p.-human resources; Jack A. Stone, asst. treasurer.

Directors: Seymour S. Fever*, Coleman F. Hogan, Wendell W. Anderson, Jr.*, E. Paul Casey*, Theodore H. Mecke, Jr.*, Joseph D. Williams, Carlton M. Higbie, Jr.*, M. Colyer Crum, Martin D. Walker, Peter A. Brooke, Edward J. Giblin*.

* Member of the Executive Committee.

Areas of Work: Major product lines of the company fall into three industry segments: Aerospace/Defense includes precision blades and vanes, turbomachinery rotating components, fuel metering devices, turret control and stabilization systems, lightweight armored vehicles, and related products; Automotive products include interior and exterior flexible urethane parts, gaskets, small DC motors, armatures, and windshield washer systems; Industrial products include metal cutting and metal forming machine tools, cutting tools and abrasives, packaging and materials handling equipment, contractors' tools, power transmission equipment, computer-aided manufacturing controls.

Divisions and Subsidiaries:

Tool & Abrasive Operations
345 East 48th Street
Holland, Michigan 49423
(616) 392-1461

Honing abrasives, electrolytic grinding wheels, gear cutting tools, carbide metals, inserts.

P.O. Box 89
Junction 38 and 67
Pendleton, Indiana 46064
(317) 778-3950

P.O. Box 248
Industrial Drive
Angola, Indiana 46703
(219) 665-9457

Lake Street
P.O. Box 98
Topeka, Indiana 46571
(219) 593-2909

US 70 at Lytle Cove Road
Swannanoa, North Carolina 28778
(704) 686-5456

Gear Machinery Systems
345 E. 48th Street
Holland, Michigan 49423
(616) 392-1461

Fuel Systems Division
700 N. Centennial
Zeeland, Michigan 49464
(616) 772-9171

Fuel nozzles, turbine nozzles, spray rings, and fuel accessories for jet engines.

710 West Park Street
Harvard, Illinois 60033
(815) 943-5451

201 W. 8th Street
Holland, Michigan 49423
(616) 772-9171

Airfoil Division
750 Buckeye Road
Lima, Ohio 45802
(419) 228-3302

Blades and vanes for turbine engines, gas turbines, steam turbine components.

Premier Row & Chancellor Drive
Orlando, Florida 32809
(305) 859-0632

2500 South J Street
Elmwood, Indiana 46036
(317) 552-7301

Court Place
Fostoria, Ohio 44830
(419) 435-6623

215 South Main Street
East Windsor, Connecticut 06088
(203) 623-2411

Packaging Systems Division
850 Ladd Road
Walled Lake, Michigan 48088
(313) 624-7800

Pure-Pak systems R & D, Pure-Pak Laboratory.

505 East Jefferson
Bluffton, Ohio 45817
(419) 358-6015

Pure-Pak machines.

909 Tower Road
Mundelein, Illinois 60060
(312) 566-9400

Pure-Pak parts central distribution center.

Ex-Cell-O Materials Handling Company
Johnson Parkway at Ames
St. Paul, Minnesota 55016
(612) 776-8501

Conveyors, materials handling equipment.

North American Machine Tool Division
850 Ladd Road
Walled Lake, Michigan 48088
(313) 624-7800

Bryant Grinder Corporation
257 Clinton Street
Springfield, Vermont 05156
(802) 885-5161

Internal grinders, external form grinders, external centerless grinders, center-hole grinders.

Micro-Precision Operations
525 Berne Street
Berne, Indiana 46711
(219) 589-2136

Automatic assembly and gauging systems, thread and groove gauges, adjustable sine plates, EDM machines.

Colonial Tool Operations
1691 Walker Road
Windsor, Ontario, Canada
(519) 965-8680

Cutting tools, broaches, gear and transmission products.

Micromatic Operations
345 E. 48th Street
Holland, Michigan 49423
(616) 392-1461

Hot and cold chamber die-casting machines, trim presses, injection molding machines, honing machines, superfinishing machines, structural foam machines.

Ace Industries, Inc.
8839 S. Pioneer Blvd.
Santa Fe Springs, California 90670
(213) 723-4524

Turbomachinery components for small gas turbine engines; small auxiliary power units for aircraft and missile applications.

Power Transmission and Controls Division
850 Ladd Road
Walled Lake, Michigan 48088
(313) 624-7800

Accurate Bushing Company
443 North Avenue
Garwood, New Jersey 07027
(201) 789-1121

800 Jefferson Avenue
Union, New Jersey 07083
(201) 789-1121

Drill jig bushings, railroad pins and bushings, drilling fixtures, precision parts, needle bearings, special bearings, cam rollers.

Cone Drive Operations
240 E. Twelfth Street
Traverse City, Michigan 49684
(616) 946-8410

Worm gear sets, speed reducers, gear motors.

Remex CAM Operation
1230 South Lewis Street
Anaheim, California 92805
(714) 535-4160

Punched tape readers, spoolers, perforators and computer-aided manufacturing controls.

Aircraft Engine Components Division
549 Cedar Street
Newington, Connecticut 06111
(203) 666-4601

Atlantic Aerospace, Inc.
549 Cedar Street
Newington, Connecticut 06111
(203) 666-4601

Precision parts for aircraft, gas and steam turbines.

Babco Industries, Inc.
28 Water Street
Danvers, Massachusetts 01923
(616) 777-1980

Cases and frames for jet aircraft engines.

Norwood Precision Products, Inc.
19540 Allen Road
Melvindale, Michigan 48122
(313) 383-5700

Precision gears and splines for jet aircraft engines.

Cadillac Gage Company
25760 Groesbeck Highway
P.O. Box 1027
Warren,, Michigan 48089
(313) 777-7100

Wheeled armored vehicles, turrets, turret control and stabilization systems.

Cadillac Gage Company
Control Systems Operations
5963 Jaysville - St. John's Road
Greenville, Ohio 45331
(513) 548-3166

Turret control and stabilization systems.

Cadillac Gage Company
Combat Vehicle Operations
550 Cidco Road
Cocoa, Florida 32922
(305) 636-1791

Wheeled armored vehicles.

Greenlee Tool Co.
2330 23rd Avenue
Rockford, Illinois 61108
(815) 397-7070

Contractor tools: conduit and pipe benders, cable pullers, related equipment for electricians, plumbers and contractors.

Greenlee Tool Company
Genoa, Illinois 60135
(815) 784-5127

Forest City Tool Company
600 23rd Street
Hickory, North Carolina 28601
(704) 322-4266

European Machine Tool Division
7332 Eislingen/Fils
Salacher Strasse 93, Postfach 1160
West Germany
07161-8051

Flexible manufacturing systems, transfer lines, special machines, precision boring machines, CNC machining centers, universal joint grinders.

Ex-Cell-O Corporation (England) Limited
Hastings Road
P.O. Box 133
Leicester, LE5, OHT, England

Ex-Cell-O GmbH
Salacher Strasse 93 — Postfach 1160
7332 Eislingen/Fils
West Germany

McCord Corporation
2850 West Grand Boulevard
Detroit, Michigan 48202
(313) 876-9700

Supplier of products to passenger car, truck and other vehicle manufacturers; to auto and truck replacement parts distributors.

McCord Gasket Corporation
2850 West Grand Boulevard
Detroit, Michigan 48202
(313) 876-9701

Automotive engine gaskets for the original equipment market and the aftermarket.

191 Labadie Street
Wyandotte, Michigan 48192
(313) 284-3600

Sycamore and Potter
Wauseon, Ohio 43567
(419) 335-0015

McCord Winn Inc.

Small DC motors and armatures, decorative plastics, fluid level sensors, instrument pointers, motor-driven devices, horn pad assemblies, windshield washer systems and electromechanical devices for the automotive industry.

620 Washington Street
Winchester, Massachusetts 10890
(617) 729-4400

815 Delman Drive
Cookeville, Tennessee 38501
(615) 526-6163

8A Tinklam Avenue
Derry, New Hampshire 03038
(603) 432-4323

Raycon Corporation
2323 Green Road
Ann Arbor, Michigan 48105
(313) 769-2614

Electrical discharge machines, non-contact gauging and inspection systems, laser machining systems.

Raycon Machine Tool Corp.
1550 E. South Street
Owosso, Michigan 48867
(517) 725-2129

Ex-Cell-O Automotive Group
Industrial Park
Dover, New Hampshire 03820
(603) 742-0720

Davidson Exterior Trim Division
Brady Road
Highway 280
Americus, Georgia 31709
(912) 924-6111

Molded plastic exterior products for cars and light trucks.

Davidson Instrument Panel Division
Route 125, Box P
Barrington, New Hampshire 03825
(603) 742-0720
Route 11
Farmington, New Hampshire 03835
(603) 755-3521

128 Peter Street
Port Hope, Ontario, Canada
(416) 885-6317

Molded instrument panel pads, assemblies for cars, trucks.

Davidson Interior Trim Division
Industrial Park
Dover, New Hampshire 03820
(603) 742-0720

P.O. Box 909
Athens, Tennessee 37303
(615) 745-8488

Molded plastic interior components for cars and light trucks.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 W. Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: XLO

Number of Employees:

1985	15,400	1982	14,100
1984	15,100	1981	16,300
1983	13,850		

Plant Footage:

1985	7,170,000 sq. ft.	1982	7,126,000
1984	6,523,388	1981	7,125,000
1983	6,417,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$1,140,084,000	$ 57,592,000
1984	1,141,058,000	56,872,000
1983	953,803,000	49,815,000
1982	1,027,123,000	48,202,000
1981	1,124,494,000	56,411,000

	No. of Com Shares #	Earn. per Share #
1985	14,229,000	$ 4.05
1984	14,183,000	4.01
1983	14,182,000	3.51
1982	14,838,000	3.25
1981	15,318,000	3.68

+ Includes operating revenue.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Aerospace/defense	$ 414,175	$ 416,069
Automotive	401,808	371,512
Industrial	324,101	353,477
Total	$ 1,140,084	$ 1,141,058

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$1.69	—	—
1984	1.60	—	—
1983	1.60	—	—
1982	1.57	—	—
1981	1.44	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 494,610,000	$ 34.76
1984	457,664,000	32.27
1983	427,335,000	30.13
1982	415,904,000	29.06
1981	409,563,000	27.08

Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Nov. 30	1985	1984
Net sales & rev	$ 1,140,084	$ 1,141,058
Other income	23,220	21,304
Total Income	$ 1,163,304	$ 1,162,362
Cost of sales	893,159	890,982
Expenses	160,081	165,474
Interest expense	4,659	5,329
Restructuring of operations	10,000	37,000
Income before taxes	$ 95,405	$ 63,577
Income taxes	37,813	6,705
Net Income	$ 57,592	$ 56,872

* Included in Costs and Expenses, Depreciation and Amortization: $31,561,000 in 1985 and $30,007,000 in 1984.

Assets

As of Nov. 30	1985	1984
Cash & marketable secur.	$ 17,080,000	$ 82,490,000
Accts. & notes receiv., net	196,672,000	158,803,000
Other assets	78,957,000	93,215,000
*Inventories	202,119,000	158,422,000
Current Assets	$ 494,828,000	$ 492,930,000
Investments	29,445,000	26,138,000
#Fixed assets & rental machines	221,861,000	197,985,000
Other assets	53,294,000	32,740,000
Total Assets	$ 799,428,000	$ 749,793,000

Liabilities

Notes payable & long-term debt, curr	$ 5,797,000	$ 7,098,000
Accts. payable & accruals	173,546,000	169,930,000
Income taxes	19,027,000	10,571,000
Cust. deposits	32,529,000	35,016,000
Curr. Liabilities	$ 230,899,000	$ 222,615,000
Long-term debt	48,897,000	49,301,000
Deferred items	25,022,000	20,213,000
+ Common stock	46,091,000	46,091,000
Add. paid-in capital	59,643,000	58,460,000
Retained earnings	431,940,000	398,412,000
For. curr. trans.	(16,144,000)	(17,331,000)
Treasury stock	(26,920,000)	(27,968,000)
Total Liabilities & Shareholders' Equity	$ 799,428,000	$ 749,793,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $3 par value.

Statistical Summary

% Income bef. Taxes to Sales & Rev	8.37	5.57
% Net Income to Sales & Revenue	5.05	4.98
% Net income to Equity	11.64	12.43
Debt to Equity	0.11	0.12
Working Capital	$263,929,000	$270,315,000
Current Ratio	2.14	2.21
Shareholders' Equity	$494,610,000	$457,664,000

Extek Microsystems, Inc.

6955 Hayvenhurst Avenue
Van Nuys, California 91406
(818) 989-2630

Officers: Donald J. Farmer, president & treasurer; George M. Barr, v.p.-marketing & asst. secretary; James R. Modrall, v.p.-engineering; Bernard Shearer, secretary.

Directors: Donald J. Farmer, Bernard Shearer, Robert H. Webster.

Areas of Work: Designs, manufactures, and sells microfilm duplication products, and distributes microfilm equipment and film.

Transfer Agent(s):

City National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	26

Extek Microsystems, Inc.

Plant Footage:

1985 .... 15,300 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,171,580	$ 138,745
1984	2,489,053	104,889
1983	2,251,198	104,199
1982	1,726,037	82,096
1981	1,406,263	43,430

	No. of Com. Shares	Earn. per Share +
1985	149,260	$ 0.66
1984	148,460	0.50
1983	148,460	0.50
1982	156,970	0.36
1981	170,269	0.17

+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity ‡‡	Equity Per Share
1985	$ 1,338,908	$ 8.97
1984	1,201,363	8.09
1983	1,098,874	7.40
1982	1,019,100	6.49
1981	987,641	5.80

‡‡ After allowing for preferred stock at par value of $100 per share.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 3,171,580	$ 2,489,053
Other income	56,570	22,867
Total Income	$ 3,228,150	$ 2,511,920
Cost of sales	1,909,690	1,440,862
Expenses	916,690	747,839
Research & develop.	195,725	186,040
Income before taxes	$ 206,045	$ 137,179
Income taxes	67,300	32,290
Net Income	$ 138,745	$ 104,889

* Included in Costs and Expenses, Depreciation and Amortization: $77,312 in 1985 and $66,857 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 89,665	$ 191,059
Receiv., net	742,629	549,776
*Inventories	954,165	597,730
Prepaid expenses & other assets	68,400	73,255
Current Assets	$ 1,854,859	$ 1,411,820
#Fixed assets	185,184	165,780
Other assets	33,201	59,197
Total Assets	$ 2,073,244	$ 1,636,797

Liabilities

	1985	1984
Note payable	$ 125,000	$ —
Accts. payable & accruals	207,869	106,111
Accrued payroll	50,495	38,295
Income taxes	71,640	22,275
Long-term debt, curr. portion	64,000	40,000
Customer deposits	—	44,753
Curr. Liabilities	$ 519,004	$ 251,434
Long-term debt	181,332	150,000
+ Preferred stock	34,000	34,000
+ + Common stock	10,101	10,061
Add. paid-in capital	3,054,149	3,052,989
Deficit	(1,598,182)	(1,734,527)
Treasury stock	(127,160)	(127,160)
Total Liabilities & Shareholders' Equity	$ 2,073,244	$ 1,636,797

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value; 8% cumulative convertible.
+ + $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.50	5.51
%Net Income to Sales	4.37	4.21
%Net Income to Equity	10.11	8.49
Sales to Inventories	3.32	4.16
Debt to Equity	0.27	0.15
Working Capital	$1,335,855	$1,160,386
Current Ratio	3.57	5.62
Shareholders' Equity	$1,372,908	$1,235,363

Exxon Corporation

1251 Avenue of the Americas
New York, New York 10020-1198
(212) 333-6900

Officers: C.C. Garvin, Jr., chairman of the board & chief executive officer; L.G. Rawl, president; J.F Bennett, J.G. Clarke, M.E.J. O'Loughlin, D.K. McIvor, C.R. Sitter, L.R. Raymond, sr. v.p.'s; R.H. Beresford, v.p.-petroleum products; R.J. Kruizenga, v.p.-corporate planning; G.B. McCullough, v.p.-employee relations; W.D. Kruger, v.p.-gas; D.E. Smiley, v.p.-Washington office; W.B. Nobles, v.p.-communications and computer sciences; Stephen Stamas, v.p.-public affairs; F.M. Perkins, v.p.-producing; E.R. Cattarulla, v.p. & secretary; E.A. Robinson, v.p. & treasurer; R.S. Lombard, v.p. & general counsel; A.L. Monroe, v.p. & controller; R.A. Schroder, v.p. & general tax counsel; T.J. McDonagh, v.p.-medicine & environment health; R.N. Dolph, J.D. Crutchfield, H.E. McBrayer, L.K. Strohl, Randall Meyer, R.A. Winslow, R.M. Ingram, vice presidents.

Directors: C.C. Garvin, Jr., chairman; William A. Andres, J.F. Bennett, Randolph W. Bromery, J.G. Clarke, Jess Hay, William R. Howell, Donald S. MacNaughton, M.E.J. O'Loughlin, Martha Peterson, Bert Phillips, L.G. Rawl, Harold A. Shaub, Otto Wolff von Amerongen, L.R. Raymond, Hector Laing, Philip E. Lippincott, Margaret L.A. MacVicar, Donald K. McIvor, Charles R. Sitter.

Areas of Work: Through its affiliate, Reliance Electric Company, manufactures and markets motors, drives, and a broad line of other industrial equipment including programmable controllers, which provide computerized control for motors and relays, and a remote underground telephone distribution system.

Transfer Agent(s):

Bank of America, N.T. & S.A.
201 Mission St.
San Francisco, California 94105

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10007-2193

The First National Bank of Boston
50 Morrissey Boulevard
Dorchester, Massachusetts 02125

First City National Bank of Houston
1301 Fannin
Houston, Texas 77002

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Boston, Cincinnati, Midwest, Philadelphia, Pacific.

Ticker Symbol: XON

Number of Employees:

1985	146,000	1982	173,000
1984	150,000	1981	180,000
1983	156,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 91,620,000	$ 4,870,000
1984	95,873,000	5,528,000
1983	93,447,000	4,978,000
1982	102,059,000	4,186,000
1981	113,220,000	4,826,000

	No. of Com. Shares #	Earn. per Share #
1985	754,093,000	$ 6.46
1984	816,169,000	6.77
1983	861,399,000	5.78
1982	867,959,000	4.82
1981	864,926,000	5.58

Based on the weighted average number of common shares outstanding adjusted to reflect two-for-one stock split issued May 1981.

Revenues By Line of Business
(000's)

	1985	1984
Petroleum and Natural Gas	$ 81,399,000	$ 85,415,000
Coal Mining & Develop	357,000	327,000
Chemicals	6,670,000	6,870,000
Reliance Electric	1,667,000	1,538,000
Minerals Mining & Develop.	108,000	97,000
Other	1,419,000	1,626,000
Total	$ 91,620,000	$ 95,873,000

Fairchild Industries, Inc.

Washington Dulles International Airport
300 West Service Road
P.O. Box 10803
Chantilly, Virginia 22021
(703) 478-5800

Officers: Emanuel Fthenakis, chairman of the board, president and chief executive officer; John J. McDowell, sr. v.p. & gen. counsel; Phillip Schneider, Charles B. Husick, John W. Townsend, Rod L. Woodworth, senior v.p.'s; James R. Wilson, exec. v.p. & chief financial officer; Richard G. Orr, Hal W. Howes, John W. Sanford, Robert J. Terry, Thomas Turner, v.p.'s, John D. Jackson, secretary; James P. Allen, v.p. & controller; James M. Schell, v.p. & treasurer.

Directors: Emanuel Fthenakis*, chairman, Jerold C. Hoffberger*, Mortimer M. Caplin*, Charles A. Kuper, William T. Marx, Thomas H. Moorer*, William V. Platt, Robert V. Hansberger, James C. Fletcher, Edward G. Uhl, R. James Woolsey.

*Member of the Executive Committee.

Areas of Work: Manufacturers and markets military aircraft, major airframe subassemblies, executive and commuter aircraft, aerospace fluid systems and environmental controls, military avionics, spacecraft and space subsystems, aerospace fasteners, tooling for plastics, security management and access control systems, bladder accumulators, power transmission and pneumatic controls, computer enclosures, metal stamping, doorknobs and distribution of bathroom accessories and security hardware.

Divisions and Subsidiaries:

Fairchild Republic Company
Farmingdale, New York 11735
(516) 531-0105
Hagerstown, Maryland 21740
(301) 824-9500

Fairchild Precision Fabrication Center
Columbus, Georgia 31908
(404) 568-4463

Fairchild Industrial Products Company
1501 Fairchild Drive
Winston-Salem, North Carolina 27105
(919) 767-6010

Fairchild Communications & Electronics Company
Sherman Fairchild Technology Center
Century Boulevard
Germantown, Maryland 20874
(301) 428-6000

Fairchild Control Systems Company
1800 Rosecrans Avenue
Manhattan Beach, California 92066
(213) 675-9111

Fairchild Communications Products Company
Chantilly, Maryland 20874

Fairchild Communications Networks and Services Co
Washington Dulles International Airport
Chantilly, Virginia

Greenr Hydraulics
City of Commerce, California

Harco
El Segundo, California

VOI-SHAN/Screwcorp
Culver City, California

Cardkey Systems Division
Chatsworth, California

Natter Manufacturing
Temple City, California

Pheoll of Minnesota
Minneapolis, Minnesota

Short Run Stamping Co
El Monte, California

Tubing Seal Cap Co.
Azusa, California

D-M-E Company
Madison Heights, Michigan

Fairchild Space Company
Germantown, Maryland 20874
(301) 428-6000

Fairchild Aircraft Corporation
P.O. Box 32486
San Antonio, Texas 78284
(512) 824-9421
Crestview, Florida 32536
(904) 682-2746

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: FEN

Number of Employees:

1985	12,380	1982	13,305
1984	12,726	1981	18,640
1983	11,949		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 855,928,000	$ (167,095)
1984	818,990,000	1,382,000
1983	825,064,000	28,405,000
1982	1,008,127,000	35,280,000
1981	1,262,887,000	64,318,000

	No. of Com. Shares	Earn. per Share #
1985	13,717,988	$ —
1984	13,505,289	—
1983	13,423,009	1.16
1982	13,102,436	1.71
1981	13,027,537	3.48

(Loss)
+ Of continuing operations only
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Gov't aerospace	$ 146,591	$ 245,840
Commercial aerospace	221,181	172,901
Aerospace fasteners	131,587	140,265
Tooling for plastics	94,347	101,445
Communications, electronics & space	124,674	103,242
General industry	140,867	130,114
Intersegment sales	(3,319)	(3,914)
Total	$ 855,928	$ 818,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.35	—	—
1984	0.80	—	—
1983	0.80	—	—
1982	0.80	—	—
1981	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 45,396,000	$ 3.31
1984	222,999,000	16.51
1983	245,306,000	18.28
1982	237,359,000	18.12
1981	227,319,000	17.45

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 855,928	$ 818,990
Other income	3,384	3,661
Eq. in earn. of affil. cos.	1,507	545
Total Income	$ 860,819	$ 823,196
Cost of sales	969,943	670,738
Expenses	160,880	163,405
Interest expense	32,250	17,953
Loss before taxes	$ (302,254)	$ (28,900)
Tax credit	(107,766)	(16,134)
Loss - cont. oper.	$ (194,488)	$ (12,766)
Inc. - discont. oper.	27,393	14,148
Net Income (Loss)	$ (167,095)	$ 1,382

* Included in Costs and Expenses, Depreciation and Amortization: $27,242,000 in 1985 and $25,770,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 39,293	$ 10,982
Accts. & notes receiv., net	108,112	113,769
Refund. inc. taxes	33,749	—
Note receivable	28,744	70,218
*Inventories	229,747	358,523
Prepaid expenses	2,800	3,122
Current Assets	$ 442,445	$ 556,614
Investments	19,404	21,939
#Fixed assets	135,696	142,529
Intangibles	77,425	84,452
Noncurr. inc. taxes	20,041	—
Other assets	7,187	5,294
Net assets-discont. oper.	—	109,570
Total Assets	$ 702,198	$ 920,398

Liabilities
(000's)

Long-term debt, curr.	$ 11,243	$ 76,846
Notes payable	3,233	6,283
Accts. payable	105,405	81,299
Accruals	116,236	102,843
Allow. for losses on contracts	25,827	—
Cust. advances	9,369	11,812
Income taxes	—	27,327
Curr. Liabilities	$ 271,313	$ 306,410
Long-term debt	167,930	186,187
Other liabilities	19,425	—
Deferred income taxes	—	50,180
Deferred credits	43,512	—
+ Redeemable pref. stock	154,622	154,622
+ + Common stock	17,636	17,423
Add. paid-in capital	46,439	43,357
Retained earnings (deficit)	(12,160)	172,068
Cum. transl. adjust.	(6,500)	(9,847)
Treasury stock	(19)	(2)
Total Liabilities & Shareholders' Equity	$ 702,198	$ 920,398

* At lower of cost or estimated realizable value.
# Less accumulated depreciation and amortization.
+ No par value; $3.60 cumulative.
+ + $1 par value.

Statistical Summary

% Net Income to Equity	—	0.62
Sales to Inventories	3.73	2.28
Working Capital	$171,132,000	$250,204,000
Current Ratio	1.63	1.82
Shareholders' Equity	$ 45,396,000	$222,999,000

Fansteel Inc.

Number One Tantalum Place
North Chicago, Illinois 60064
(312) 689-4900

Officers: K.R. Garrity, chairman of the board & chief exec. officer; A.J. Wagner, president & chief operating officer; C.L. Brown, v.p.-Metals; J.G. Duggan, v.p. & general counsel; J.H. Fraser, secretary; J.B. Lambert, v.p. & technical director; S.W. Lindroth, v.p. & chief financial officer; R.W. McGinnis, v.p., director of corporate planning & operations analysis; IH.J. Kerr, v.p.-Custom Technologies; J.A. Fries, treasurer.

Directors: Thomas M. Evans, Richard B. Ogilvie, Robert M. Drevs, Keith R. Garrity, C.J. Queenan, Jr., A.W. Dana, B.B. Evans, C.V. Emory, J.S. Petrik, A.J. Wagner, Jr.

Areas of Work: Manufactures refractory metals and fabricates high technology products for the automotive, appliance, metal working, mining, aerospace, recreational, electronic and chemical industries. Produces tantalum metal sheets, wire, foil, and powder. Other products lines include tungsten carbide cutting tools, refractory metal mill products, aerospace and aircraft engine components, chemical equipment, electronic materials, commercial castings and electrical contracts.

Divisions:

Custom Technologies Corporation
Number One Tantalum Place
North Chicago, Illinois 60064

Manufactures high integrity products with particular expertise in large aluminum and magnesium sand castings used in helicopters, gas turbine engines and missile systems.

Escast, Inc.
21 N. Church Street
Addison, Illinois 60101

Escast, Buckeye Division
101 Park Drive
Waterville, Ohio 43566

Escast, Tool-It Division
1980 Whitefield Avenue
Sarasota, Florida 33580

Washington Manufacturing Co., Inc.
800 East 7th Street, P.O. Box 486
Washington, Iowa 52353

Wellman Dynamics Corporation
U.S. Route 34, P.O. Box 147
Creston, Iowa 50801
(ic

VR/Wesson Division

389 Marion Avenue
Plantsville, Connecticut 06479

Fansteel Inc.

800 Market Street
Waukegan, Illinois 60085

Lisle Road
Lexington, Kentucky 40505

Hydro Carbide
P.O. Box 363
Latrobe, Pennsylvania 15650

Hydro Carbide
P.O. Box 2368
Gulfport, Mississippi 39503

VR/Wesson Industrial Supply
500 Industrial Drive
Beckley, West Virginia 25801

Metals Division

Tantalum, columbium and other special metals; electronic-grade tantalum poweder, and wire; chemical processing equipment.

Number One Tantalum Place
North Chicago, Illinois 60064

Number Ten Tantalum Place
Muskogee, Oklahoma 74401

415 Skokie Road
Lake Bluff, Illinois 60044

Advanced Structures Division

Products and services include special material structures and fabrications primarily for aerospace/aircraft and liquid processing applications; and commercial castings.

California Drop Forge
1033 Alhambra Avenue
Los Angeles, California 90012
(213) 221-1134

Precision Sheet Metal
5235 W. 104th Street
Los Angeles, California 90045
(213) 670-1030

Pasco Gear & Machine, Inc.
2412 W. Durango
Phoenix, Arizona 85005

International

Interturbine Fansteel b.v.
Industrieterrein Spikweien
Spiktweg 13-5943 Lomm
The Netherlands.

Transfer Agent(s):

Morgan Guaranty Trust Company
of New York
23 Wall Street
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FNL

Number of Employees:

1985	2,555	1982	1,856
1984	1,997	1981	2,446
1983	1,886		

Sales and Earnings

	Net Sales	Net Income
1985	$ 208,092,988	$ 7,704,499
1984	180,450,015	11,155,336
1983	153,779,111	8,357,564
1982	176,852,028	8,413,828
1981	226,745,090	12,576,435

	No. of Com. Shares†	Earn. per Share†
1985	8,598,858	$ 0.90
1984	8,598,858	1.30
1983	8,599,102	0.97
1982	8,607,714	0.98
1981	8,622,504	1.46

† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Metal Producers	$ 56,753,329	$ 73,238,568
Industrial Tools	57,809,303	56,504,643
Metal Fabrications	93,530,356	50,706,804
Total	$ 208,092,988	$ 180,450,015

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.60	—	—
1984	0.60	—	—
1983	0.42	—	3-for-1 & 2-for-1
1982	0.52	—	—
1981	0.70	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 80,796,791	$ 9.40
1984	77,916,807	9.06
1983	72,088,455	8.38
1982	67,502,897	7.85
1981	63,670,671	7.39

† Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 208,092,988	$ 180,450,015
Cost of sales	167,432,069	136,487,254
Expenses	25,774,797	22,183,564
Research & develop.	2,308,982	2,283,599
Interest expense	1,485,613	73,844
Interest income	(942,770)	(1,472,610)
Other expense (income)	(682,202)	252,028
Income before taxes	$ 12,716,499	$ 20,642,336
Income taxes	5,012,000	9,487,000
Net Income	$ 7,704,499	$ 11,155,336

* Included in Costs and Expenses, Depreciation: $10,081,748 in 1985 and $6,561,665 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 12,046,829	$ 17,158,438
Accts. receiv., net	31,376,664	21,951,678
*Inventories	40,616,643	29,235,537
Prepaid expenses	717,280	633,088
Current Assets	$ 84,757,416	$ 68,978,741
#Fixed assets	41,761,671	28,849,832
Other assets	647,629	345,372
Total Assets	$ 127,166,716	$ 98,173,945

Liabilities

Long-term debt, curr.	$ 153,338	$ 153,338
Accts. payable	7,774,742	7,865,879
Accruals	12,857,498	10,060,353
Income taxes	467,457	728,770
Curr. Liabilities	$ 21,253,035	$ 18,808,340
Long-term debt	25,116,890	1,448,798
+ Common stock	21,497,145	21,497,145
Retained earnings	59,221,805	56,676,621
For. curr. trans.	77,841	(256,959)
Total Liabilities & Shareholders' Equity	$ 127,166,716	$ 98,173,945

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.11	11.43
%Net Income to Sales	3.70	6.18
%Net Income to Equity	9.54	14.31
Sales to Inventories	5.12	6.17
Debt to Equity	0.31	0.02
Working Capital	$63,504,381	$50,170,401
Current Ratio	3.99	3.66
Shareholders' Equity	$80,796,791	$77,916,807

Federated Purchaser, Inc.

50 Lafayette Place
Kenilworth, New Jersey 07033
(201) 272-0505

825 Union Blvd.
Allentown, Pennsylvania 18103
(215) 437-4481

Officers: Harry J. Fallon, president; Anthony D. Carbone, v.p.-administration & secretary; Steven J. Jordan, v.p.-industrial marketing; Jane A. Christy, v.p.-operations.

Directors: Arthur C. Kammerman, chairman; Edmund L. Hoener, Harry J. Fallon, John Rudder, Edward A. Cantor.

Areas of Work: Engaged in the marketing of electronic parts, components and equipment to industrial and retail customers. To its industrial customers the company sells a broad range of products including semi-conductors, wire, transformers, relay systems, capacitors and electronic tubes. The principal products marketed by the company to retail customers are home entertainment equipment including stereo systems, tape recorders, speakers, radios and related accessories. The company markets its retail products through two stores located in Kenilworth, New Jersey and Allentown, Pennsylvania. Industrial products are marketed directly by Federated's sales personnel from both locations and in the field.

Transfer Agent(s):

The National State Bank
Elizabeth, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: EFDP (NASDAQ)

Number of Employees:

1985	N.A.	1982	N.A.
1984	31	1981	33
1983	31		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 6,970,733	$ 216,296
1984	7,305,216	281,654
1983	6,318,917	229,286
1982	6,128,054	199,768
1981	6,222,441	257,407

	No. of Com. Shares +	Earn. per Share +
1985	1,720,053	$ 0.13
1984	1,715,906	0.16
1983	1,709,926	0.13
1982	1,713,161	0.12
1981	1,686,699	0.15

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.06	—	5-for-4
1984	0.06	—	—
1983	0.06	—	—
1982	0.05	—	—
1981	0.05	—	5-for-4

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 2,342,963	$ 1.36
1984	2,227,764	1.30
1983	2,063,695	1.21
1982	1,930,043	1.13
1981	1,796,304	1.06

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account

Year ended October 31	1985	1984
Net sales	$ 6,970,733	$ 7,305,216
Cost of sales	5,261,970	5,460,553
Expenses	1,359,906	1,374,785
Depreciation	21,884	23,358
Other income	(80,223)	(91,034)
Income before taxes	$ 407,196	$ 537,554
Income taxes	190,900	255,900
Net Income	$ 216,296	$ 281,654

Assets

As of October 31	1985	1984
Cash	$ 69,172	$ 51,898
Cert. of deposit	1,097,408	990,550
Accts. receiv., net	687,043	831,007
*Inventories	778,063	787,981
Prepaid expenses	64,824	40,312
Current Assets	$ 2,696,510	$ 2,701,748
#Fixed assets	52,387	66,824
Other assets	25,330	10,900
Total Assets	$ 2,774,227	$ 2,779,472

Liabilities

	1985	1984
Accts. payable	$ 298,995	$ 338,355
Accruals	114,869	147,670
Income taxes	—	52,083
Curr. Liabilities	$ 413,864	$ 538,108
Deferred income taxes	17,400	13,600
+ Common stock	171,601	171,601
Add. paid-in capital	1,650,406	1,652,908
Retained earnings	522,722	416,149
Treasury stock	(1,766)	(12,894)
Total Liabilities & Shareholders' Equity	$ 2,774,227	$ 2,779,472

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	5.84	7.36
%Net Income to Sales	3.10	3.86
%Net Income to Equity	9.23	12.64
Sales to Inventories	8.96	9.27
Working Capital	$2,282,646	$2,163,640
Current Ratio	6.52	5.02
Shareholders' Equity	$2,342,963	$2,227,764

Ferronics Incorporated

60 North Lincoln Road
East Rochester, New York 14445
(716) 586-2380

Officers: Roger Woodward, president, chairman of the board & treasurer; John Stettinius, v.p.-research and development; Mark Northrup, v.p.; Michael C. Dwyer, secretary; Frank Shepard, controller & asst. treasurer.

Directors: Frank A. Steinhilper, Jan B. Kennedy, Roger Woodward, Richard Alliegro.

Areas of Work: Engaged in the manufacture of ceramic magnetic materials known as ferrites and in the shaping of these materials into devices used in electronic circuitry. Also manufactures transducers for rotating memory devices.

Divisions:

Manufacturing Division
52 N. Main Street

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Number of Employees:

1984	50	1981	50
1983	80	1980	50
1982	80		

Plant Footage:

1984	40,000 sq. ft.	1981	28,000
1983	40,000	1980	28,000
1982	40,000		

Sales and Earnings

	Revenues †	Net Income +
1984	$ 1,913,000	$ (352,000)
1983	1,516,000	101,000
1982	1,316,000	14,000
1981	1,526,000	34,000
1980	1,141,000	90,000

	No. of Com. Shares	Earn. per Share +
1984	1,788,508	$ —
1983	1,733,508	0.06
1982	1,685,780	0.01
1981	1,685,780	0.02
1980	1,685,780	0.05

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $22,000 (0.01 per share) in 1983 and $16,000 ($0.01 per share) in 1980.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 203,000	$ 0.11
1983	500,000	0.29
1982	356,000	0.21
1981	342,000	0.20
1980	308,000	0.18

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 1,913,454	$ 1,500,701
Other income	—	15,656
Total income	$ 1,913,454	$ 1,516,357
Cost of sales	1,224,558	774,293
Expenses	434,310	409,631
Interest expense	70,715	56,614
Income before taxes	$ 183,871	$ 275,819
Income taxes	78,000	103,000
Inc.-cont. oper.	$ 105,871	$ 172,819
Loss-discont. oper.	(457,386)	(93,418)
Net Income (Loss)	$ (351,515)	$ 79,401
Extraord. item	—	22,000
Net Income (Loss) & extraord. item	$ (351,515)	$ 101,401

* Included in Costs and Expenses, Depreciation and Amortization: $101,129 in 1984 and $116,010 in 1983.

Assets

	1984	1983
Cash	$ 3,388	$ 4,612
Accts. receiv., net	351,316	591,299
Accounts receivable	100	13,000
*Inventories	334,241	352,930
Prepaid expenses	18,265	11,881
Assets of discont. oper.	45,950	—
Current Assets	$ 753,260	$ 973,722
#Fixed assets	301,213	409,662
Other assets	8,023	6,883
Total Assets	$ 1,062,496	$ 1,390,267

Liabilities

	1984	1983
Long-term debt, curr.	$ 30,000	$ 38,604
Cap. lease oblig., curr.	36,093	20,137
Accts. payable	215,875	156,239
Accruals	141,545	160,397
Curr. Liabilities	$ 423,513	$ 375,377
Long-term debt	382,980	469,444
Cap. lease oblig.	53,045	45,973
+ Common stock	178,851	173,351
Add. paid-in capital	763,971	714,471
Retained earnings (deficit)	(739,864)	(388,349)
Total Liabilities & Shareholders' Equity	$ 1,062,496	$ 1,390,267

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1984	1983
%Net Income to Equity	5.72	15.90
Sales to Inventories	—	4.25
Working Capital	$329,747	$598,345
Current Ratio	1.78	2.33
Shareholders' Equity	$202,958	$499,473

Fifth Dimension Inc.

801 New York Avenue
Trenton, New Jersey 08638
(609) 393-8350

Officers: Sheldon Bitko, president; Alfred R. Senni, exec. v.p. & chief exec. officer; Elaine H. Cain, secretary & treasurer.

Directors: Frederick J. Grunwald, Charles Wohlstetter, Charles Davidoff, Frederick C. Scherer, Lee R. Marks.

Areas of Work: The Company's business falls into three broad groups: manufacture of telemetry equipment, industrial components and glass metal seals. The principal products of the telemetry group include electronic and electromechanical signal commutators, sometimes coupled with analog to digital converters. The primary markets for this type of equipment are the defense and the aero-space industries; secondary markets are the Atomic Energy Commission and other private industries. The principal products of the components group include a family of mercury film switches and relays (sold under the name LOGCELL, or more specifically LC1, LC2 and LC3), sold mostly to industrial users. Other components include tilt switches for military and industrial applications and slip rings used by the military and aerospace manufacturers. Glass-metal seals are hermetic seals which allow electric signals into a chamber without allowing in the outside atmosphere or any contamination. These seals are used in light bulbs, transistors, tubes, relays and a myriad of other components.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	57	1983	50
1984	53	1982	43

Plant Footage:

1985	18,000 sq. ft.	1983	18,000
1984	18,000	1982	18,000

Sales and Earnings

	Net Sales	Net Income †
1985	$ 2,589,359	$ 187,911
1984	2,686,616	157,665

1983	1,658,712	153,386
1982	1,361,266	(87,878)
1981	1,715,966	147,687

	No. of Com. Shares †	Earn. per Share ‡†
1985	729,122	$ 0.26
1984	729,122	0.22
1983	692,315	0.22
1982	654,495	—
1981	654,120	0.23

(Loss)

† Including extraordinary gains of $42,582 ($0.06 per share) in 1983 and $43,595 ($0.07 per share) in 1981.

‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 819,986	$ 1.12
1984	632,075	0.87
1983	474,410	0.69
1982	173,803	0.27
1981	258,903	0.40

† Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 2,589,359	$ 2,686,616
Cost of sales	1,821,619	1,940,737
Expenses	465,991	495,271
Other income	(13,421)	(11,039)
Income before taxes	$ 315,170	$ 261,647
Income taxes	127,259	103,982
Net Income	$ 187,911	$ 157,665

* Included in Costs and Expenses, Depreciation and Amortization: $66,793 in 1985 and $53,288 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 258,866	$ 184,180
Accts. receiv., net	438,980	305,011
*Inventories	434,630	494,696
Prepaid expenses	15,556	25,852
Current Assets	$ 1,148,032	$ 1,009,739
#Fixed assets	577,799	558,081
Total Assets	$ 1,725,831	$ 1,567,820

Liabilities

Notes payable	$ 77,781	$ 68,952
Accts. payable	81,946	195,992
Accrued compens. & vac.	111,904	108,666
Accrued commissions & other	20,032	23,072
Income taxes payable	14,448	—
Deferred income taxes	168,774	26,457
Curr. Liabilities	$ 474,885	$ 423,139
Notes payable	398,565	435,313
Deferred income taxes	32,395	77,293
+ Common stock	364,936	364,936
Add. paid-in capital	403,663	403,663
Ret. earnings (deficit)	51,715	(136,196)
Treasury stock	(328)	(328)
Total Liabilities & Shareholders' Equity	$ 1,725,831	$ 1,567,820

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.17	9.74
%Net Income to Sales	7.26	5.87
%Net Income to Equity	22.92	24.94
Sales to Inventories	5.96	5.43
Working Capital	$673,147	$586,600
Current Ratio	2.42	2.39
Shareholders' Equity	$819,986	$632,075

Figgie International Inc.

1000 Virginia Center Parkway
Richmond, Virginia 23295
(804) 264-5600

Officers: Harry E. Figgie, Jr., chairman of the board & chief executive officer; John W. Partridge, sr. v.p.; William G. Gilmore, sr. v.p.; James S. Anderson, vice president-industrial relations; John M. Fitzpatrick, v.p.-govt. relations; Gary O. Haglund, group v.p.; L.A. Harthun, sr. v.p.-international, general counsel & secretary; Charles B. Miner, v.p.; Joseph J. Skadra, v.p. & controller; Charles C. Rieger, Jr., Mike Trbovich, group v.p.'s.

Directors: Harry E. Figgie, Jr., Dale S. Coenen, Ewing T. Boles, Alfred V. Gangnes, Paul F. Hellmuth, Gerald K. Rugger, Walter M. Vannoy, Russell W. McFall, Harrison Nesbit, II, Hans Ulrich Rinderknecht, Harold B. Scott, Robert A. Weaver, Jr., John N. Dalton, Harry E. Figgie, III, John S. Lanahan, F. Rush McKnight.

Areas of Work: Comprised of over 35 principal divisions and subsidiaries, the Company's business can be grouped into five areas: consumer and recreation products; fire protection safety; technical products, machinery & products; and services.

Divisions and Subsidiaries:

Technical Group

Interstate Electronics
1001 East Ball Road
Anaheim, California 92803
(714) 758-0500

Voice data entry computer terminals. Plasma display terminals. Function and pulse generators. Military command and control display systems. Signal processing systems. Off shore oil platform data systems. Environmental surveys and services. Instrumentation and missile tracking systems.

Hartman Electrical Manufacturing
175 North Diamond Street
Mansfield, Ohio 44902
(419) 524-1411

Electrical power switching and solid state controls. Contractors, relays and protective devices.

Hartman Systems
360 Wolf Hill Road
Huntington Station, L.I., New York 11746
(516) 427-7500

Fully integrated electronic systems and products for government and industry. Military display systems. Command and control systems. Telecommunication systems. Telephone management system.

Interstate Voice Products
1849 W. Sequoia Avenue
Orange, California 92668
(714) 937-9010

Speech recognition and speech response products, including chips, boards and complete turnkey systems for commercial, consumer and military markets.

RES/Rusco Electronic Systems
1840 Victory Boulevard
Glendale, California 91201
(818) 240-2540

Electronic Cardentry access controls, copy machine and fuel-control monitoring systems, time and attendance data collection, elevator-control and parking-control systems, bank and identification cards.

Consumer Group

Figgie Licensing Division
Richmond, Virginia 23295
(804) 264-5600

Worldwide trademark licensing of consumer products, principally Fred Perry and Rawlings Sportswear, activewear and hard goods.

Rawlings Sporting Goods
2300 Delmar Boulevard
St. Louis, Missouri 63126
(314) 349-3500

Full line of sports equipment for baseball, football, basketball, soccer, boxing, badminton, golf, hockey, tennis and wrestling. Uniforms, jackets and shoes.

Interstate Engineering
522 East Vermont Avenue
Anaheim, California 92805
(714) 778-5700

Residential smoke detectors and fire alarms, compact home vacuum cleaners. Wireless IEC Security System; aluminum and zinc die castings.

Fred Perry Sportswear (U.K.) Ltd.
Bridport Road
London N 18, 1SN England
01-807-1010

Designer, manufacturer and worldwide marketer of high-fashion sports and leisure clothing for men, women and children.

Thermometer Corporation of America
567 East Pleasant Street
Springfield, Ohio 45505
(513) 325-0456

Thermometers, hydrometers, humidity and weather instruments. Tru-Temp thermometers and cooking instruments.

Sherwood-Drolet Corp. Ltd.
2745 Sherwood Boulevard
Sherbrooke, Quebec J1K 1E1
Canada
(819) 563-2202

Designs and markets hockey sticks.

Industrial Group/Fire Protection and Safety

Advance Security
3330 Peachtree Road
Atlanta, Georgia 30305
(404) 231-1210

Security consultation, uniformed security guards, fire, safety, security systems and equipment, industrial and business investigative service, large area protection.

"Automatic" Sprinkler Corp. of America
P.O. Box 180
Cleveland, Ohio 44147
(216) 526-9900

Sprinkler systems, control valves; sprinkler heads, spray nozzles; "Rate-of-Rise" and electric detection systems; electric control panels; alarms, hydraulically calculated and special hazards fire protection systems. Fabrication, inspection and maintenance services; Range Guard fire extinguishing systems.

Badger-Powhatan
P.O. Box 7146
Charlottesville, Virginia 22906
(804) 973-4361

Portable water, carbon dioxide, and dry chemical fire extinguishers, Halon systems, range hoods, "Blaze Guard" fire hose and couplings, brass products for fire protection, industrial and municipal applications.

Scott Aviation
225 Erie Street
Lancaster, New York 14086
(716) 683-5100

Oxygen and air breathing systems, light aircraft accessories, gas masks and respiratory devices, gas analyzers and alarms, air pollution detection and control equipment, safety and first aid equipment.

Snorkel
P.O. Box 65-Stockyards Station
St. Joseph, Missouri 64504
(913) 989-4481

Aerial type water delivery systems for fire fighting apparatus, articulated and telescopic booms, extendable ladders and aerial platforms.

Machinery and Products

Consoliated Packaging Machinery
11980 Waldron Drive
Alden, New York 14004
(716) 937-3361

High-speed automatic capping equipment for bottles, cans and other containers; crimpers; cotton stuffers; scales; bagclosers; gravity paper bag fillers and closers.

Geo. J. Meyer Manufacturing
Charleston, South Carolina 29411
(803) 572-6640
Packaging and bottling equipment, labeling machinery, case palletizers, bottle rinsing and inspection equipment.

Scott Huber Essick
P.O. Box 10263
Charleston, South Carolina 29411
(803) 797-5300
Road building and construction equipment. Huber motor graders, rollers and maintainers; Scott hydraulic cranes; Smith truck-mounted turbine and tilter concrete mixers.

Kersey/American LaFrance
600 Mountan Lane
Bluefield, Virginia 24605
(703) 326-1121
Battery-powered tractors, scoops, supply cars, coal cars, hydraulic self-unloading cars, battery chargers; batteries and motors for underground coal mining.

Logan Co.
P.O. Box 6107
Louisville, Kentucky 40206
(502) 587-1361
Conveyor equipment and material handling systems; wire partitions and window guards, folding gates, spiral stairs and ornamental iron-work; automated package and parcel sorting systems.

Safway Steel Products
6228 West State Street
Milwaukee, Wisconsin 53213
(414) 258-2700
Steel scaffolding and shoring systems, portable bleachers; powered mobile platforms and swing stages.

Figgie Hydraulic Products
1777 Morgantown Ave
Fairmont, West Virginia 26554
(304) 366-4730
Hydraulic pumps, motors and parts; blowers, hydralic valves, snow plow rams and precision machine products; custom gears for mining, construction and hydraulic equipment.

Akron Packaging Machinery
Akron, Ohio 44313
(216) 923-0491
Case packers, uncasers, container dividers, and combiners.

Kline Foundries
P.O. Box 444
Alburtis, Pennsylvaia 18011
(215) 966-3966
Gray, ductile and malleable iron castings for transportation, heating, refrigeration, power transmission and construction.

Western Reserve Container
P.O. Box 193
Painesville, Ohio 44077
(216) 946-8464
Corrugated shipping containers; die cut corrugated inserts for product protection; point-of-sale corrugated floor and counter-top displays; protective inserts.

Stallman Gear
527 W. Rich Street
Columbus, Ohio 43215
(614) 224-3394
Manufactures gears and sprockets for mining machinery, construction equipment, hydraulic pump, agriculture equipment, overhead crane and other machinery markets.

Other Services

Waite Hill Holdings Inc.
Waite Hill Assurance Ltd.
Hamilton 5, Bermuda
(809) 292-6667
Diversified underwriting.

Figgie Insurance Company Ltd.
Hamilton 5, Bermuda
(809) 292-6667
Diversified underwriting.

Colony Insurance Company
Warwick, Rhode Island 02886
(401) 732-0890
Property/casualty underwriting.

Cardinal Casualty Company
Cleveland, Ohio 44130
(216) 826-0335
Property/casualty underwriting.

Waite Hill Services, Inc.
Richmond, Virginia 23295
(804) 261-7000
Insurance services.

Figgie Acceptance Corporation
Richmond, Virginia 23295
(804) 264-5830
Financing subsidiary.

Figgie Communications Inc.
Richmond, Virginia 23295
(804) 264-5600
Radio and television communications properties, investments and operations.

Figgie Properties Inc.
Richmond, Virginia 23295
(804) 264-5840
Real estate management and development.

Figgie Systems Management Group, Inc.
4420 Sherwin Road
Willoughby, Ohio 44094
(216) 946-9000
Data processing and systems services; facility services; minicomputer hardware and software; CAD/CAM time sharing; microcomputer systems and training.

Figgie Natural Resources Inc.
Richmond, Virginia
(804) 264-5600
Oil and gas investments.

Hawthorne Aviation
Sandston, Virginia 23150
(804) 222-7256
Fixed base operations.

Figgie Systems Support Division
Richmond, Virginia 23295
(804) 264-5750
Government services, contracting operations, maintenance and logistics services.

International Operations Group

Geo. J. Meyer (Australia) Pty. Ltd.
Figgie International Pty Ltd.
Australia

"Automatic" Sprinkler Belgium N.V.
Belgium

Figgie do Brasil Industria e Comercio Ltda.
Brazil

Geo. J. Meyer Mfg. Canada, Ltd.
Thermometer Corporation of Canada Ltd.
Adirondack-Sherwood, Inc.
"Automatic" Sprinkler of Canada, Ltd.
Canada

ASCOA "Automatic" Sprinkler G.m.b.H.
Logan Fenamec Transportation G.m.b.H.
Germany

Rusco Automatismes Et Systemes Sarl
France

Figgie International Sports, Ltd. S.A.
Haiti

Rawlings Japan Co., Ltd.
Japan

Geo. J. Meyer de Mexico S.A. de C.V.
Mexico

ASCOA "Automatic" Sprinkler Nederland B.V.
"Automatic" Sprinkler Europe B.V.
Meyer Dumore International B.V.
The Netherlands

Anasco Sports Co. Inc.
Chemetronics Caribe, Inc.
Overseas Sports Co., Inc.
Rawlings Sales Co., Inc.
Puerto Rico

Geo. J. Meyer (South Africa) Pty. Ltd.
South Africa

Fred Perry Sportswear Ltd.
Meyer Dumore International Ltd.
Figgie (G.B.) Ltd.
Fred Perry Sportswear (UK) Ltd.
Logan Fenamec (UK) Ltd.
Wimbledon Shirt Company, Ltd.
Fred Perry & Paynes Ltd.
W. Payne & Company, Ltd.
United Kingdom

Transfer Agent(s):
The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FIGI (NASDAQ)

Number of Employees:

1985	15,970	1982	12,600
1984	13,300	1981	15,400
1983	12,500		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 803,412,000	$ 29,238,000
1984	720,686,000	17,413,000
1983	642,319,000	21,355,000
1982	673,834,000	26,058,000
1981	729,237,000	25,690,000

	No. of Com. Shares	Earn. per Share #
1985	5,991,491	$ 5.03
1984	5,560,481	3.00
1983	5,579,738	3.62
1982	5,901,438	4.18
1981	5,886,571	4.03

+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Consumer	$ 112,049	$ 125,447
Fire Protection/Safety	321,809	286,479
Machinery & Products	154,524	139,647
Technical	208,396	162,585
Services	6,634	6,528
Total	$ 803,412	$ 720,686

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.68	—	—
1984	0.68	—	—
1983	0.68	—	—
1982	0.68	—	—
1981	0.62	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 218,472,000‡	$ 36.46
1984	187,231,000‡	33.67
1983	179,845,000‡	32.23
1982	177,348,000‡	30.05
1981	163,990,000‡	27.86

‡ After allowing for all preferred stock at their stated value.

Figgie International Inc.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 803,412	$ 720,686
Other Income	2,623	5,593
Total Income	$ 806,035	$ 726,279
Cost of sales	612,637	550,284
Expenses	125,329	120,681
Interest expense	18,221	18,383
Income before taxes	$ 49,848	$ 36,931
Income taxes	20,610	10,030
Inc.-cont. oper.	$ 29,238	$ 26,901
Loss-discont. oper.	—	(9,488)
Net Income	$ 29,238	$ 17,413

* Included in Costs and Expenses, Depreciation and Amortization: $19,986,000 in 1985 and $18,253,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 17,815	$ 3,572
Accts. & notes receiv., net	147,974	130,234
*Inventories	124,827	119,021
Prepaid expenses	4,124	5,582
Marketable securities	5,537	3,869
Current assets	—	7,478
Current Assets	$ 300,277	$ 269,756
#Fixed assets	167,436	136,430
Other assets	86,938	75,661
Leased prop. under cap. leases	6,857	8,072
Other assets	—	3,899
Total Assets	$ 561,508	$ 493,818

Liabilities
(000's)

	1985	1984
Notes payable	$ 7,376	$ 6,500
Curr. maturities of long-term debt	13,912	11,795
Accts. payable	38,643	43,069
Accruals	51,781	50,359
Income taxes	320	263
Net liabilities - discont. oper.	572	—
Curr. Liabilities	$ 112,604	$ 111,986
Long-term debt	168,068	143,024
Deferred liabilities	23,264	19,212
Deferred inc. taxes	39,100	28,000
+ Preference stock	—	4,365
+ + Common stock	599	556
Add. paid-in capital	3,959	1,614
Retained earnings	226,761	201,440
Less unearned compen rel. to restricted stock pur. plan	(2,940)	(3,938)
Cumulative translation adjustment	(9,907)	(12,441)
Total Liabilities & Shareholders' Equity	$ 561,508	$ 493,818

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.
+ + $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	6.20	5.12
%Net Income to Sales	3.64	2.42
%Net Income to Equity	13.38	9.09
Sales to Inventories	6.44	6.06
Debt to Equity	0.87	0.84
Working Capital	$187,673,000	$157,770,000
Current Ratio	2.67	2.41
Shareholders' Equity	$218,472,000	$191,596,000

Finnigan Corporation

355 River Oaks Parkway
San Jose, California 95134
(408) 433-4800

Officers: T.Z. Chu, chairman of the board & president; Robert E. Finnigan, vice chairman & sr. v.p.; John R. Hearn, exec. v.p.; Henry P. Massey, Jr., general counsel & secretary; James T. Lindstrom, sr. v.p., chief financial officer, treasurer & asst. secretary; John R. Hearn, exec. v.p.; Edward J. McGonagle, v.p.-information and administrative systems; Steven R. Wade, corp. controller; Philip L. Warren, v.p. & gen. mgr.-field operations; Ernest Weber, v.p. & gen. mgr.-Bremen operations; Brenda E. Webb, asst. secretary.

Directors: T.Z. Chu, chairman of the board; Alexander D. Cross, Robert E. Finnigan, Henry E. Riggs, Roger W. Sant, R.C. Mercure, Jr., Peter H. Hengel.

Areas of Work: Manufactures and sells high-technology products, which include: gas chromatography/mass spectrometry analytical instruments; shaft encoders and prevision mechanical subsystems for scientific instruments. Products are used in pharmaceutical and biomedical; polution measurement, forensic science and industrial process control fields.

Subsidiaries:

Finnigan MAT GmbH
Barkhausenstrasse 2
Postfach Box 14 40 62
D-2800 Bremen 14
Federal Republic of Germany

Finnigan MAT Ltd.
Paradise
Hemel Hempstead, Herts. HP2 4TG
United Kingdom

Finnigan MAT Institute
4450 Carver Woods Drive
Cincinnati, Ohio 45242
(513) 891-2100

Finnigan MAT S.a.r.l.
69, Rue de Paris
F-91400 Orsay, France

Finnigan MAT S.r.l.
Via Valadier, 37B
00193 Rome
Italy

Finnigan MAT Instruments, Inc
Shiozai Building
2-7-1 Hirakawa-cho
Chioda-Ku, Tokyo
Japan 102

Finnigan MAT China, Inc.
Room 3702, Friendship Hotel
Beijing
People's Republic of China

Finnigan MAT Benelux
Landjuweel 7
3905 PE Veenendaal
The Netherlands

Finnigan MAT AG (Switzerland)
Finnigan MAT, Inc. (Nevada)
Finnigan Domestic International Sales, Corporation (California)
Finnigan Properties, Inc. (California)

Transfer Agent(s):
Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: FNNG (NASDAQ)

Number of Employees:

1985	969	1982	805
1984	879	1981	1,118
1983	805		

Plant Footage:

1985	368,000 sq. ft.	1982	350,000
1984	368,000	1981	385,000
1983	368,000		

Sales and Earnings

	Revenues +	Net Income †
1985	$ 80,591,000	$ 4,408,000
1984	65,093,000	2,629,000
1983	55,063,000	(890,000)
1982	55,204,000	329,000
1981	54,900,000	360,000

	No. of Com. Shares #	Earn. per Share #†
1985	4,976,000	$ 0.93
1984	4,813,000	0.60
1983	4,165,000	—
1982	4,096,000	0.08
1981	3,997,000	0.09

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $398,000 ($0.08 per share) in 1985, $771,000 ($0.16 per share) in 1984 and $340,000 ($0.08 per share) in 1983.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 32,975,000	$ 6.63
1984	22,000,000	4.57
1983	20,080,000	4.82
1982	22,300,000	5.44
1981	21,415,000	5.36

Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 80,591,000	$ 65,093,000
Cost of sales	44,397,000	37,405,000
Expenses	25,541,000	22,758,000
Interest expense	2,745,000	2,530,000
Income before taxes	$ 7,908,000	$ 2,400,000
Income Tax	3,898,000	542,000
Net Income	$ 4,010,000	$ 1,858,000
Extraordinary gain	398,000	771,000
Net Income & extraord. gain	$ 4,408,000	$ 2,629,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,112,000 in 1985 and $1,639,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 5,229,000	$ 2,569,000
Accts. receiv., net	19,004,000	16,166,000
Refundable income taxes	—	727,000
*Inventories	24,554,000	19,002,000
Prepaid expenses	531,000	356,000
Current Assets	$ 49,318,000	$ 38,820,000
#Fixed assets	29,502,000	26,948,000
Other assets	783,000	714,000
Total Assets	$ 79,603,000	$ 66,482,000

Liabilities

	1985	1984
Notes payable	$ 616,000	$ 4,872,000
Convert. notes	5,891,000	—
Accts. payable	4,889,000	4,408,000
Accrued payroll	2,817,000	1,694,000
Accrued income taxes	1,996,000	691,000
Reserve for warranty	3,579,000	2,893,000
Cust. deposits	4,295,000	2,448,000
Other accruals	2,132,000	2,717,000
Curr. Liabilities	$ 26,215,000	$ 19,723,000
Long-term debt	14,890,000	15,299,000
Convertible notes	—	7,118,000
Deferred employee benefits	2,754,000	1,916,000

Deferred inc. taxes	2,769,000	426,000
+ Common stock	20,362,000	17,072,000
Accumulated translation adjustments	(1,301,000)	(4,578,000)
Retained earnings	13,914,000	9,506,000
Total Liabilities & Shareholders' Equity	$ 79,603,000	$ 66,482,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.81	3.69
%Net Income to Sales	4.98	2.85
%Net Income to Equity	12.16	8.45
Sales to Inventories	3.28	3.43
Debt to Equity	0.47	0.92
Working Capital	$23,103,000	$19,097,000
Current Ratio	1.88	1.97
Shareholders' Equity	$32,975,000	$22,000,000

Fischer & Porter Company

County Line Road
Warminster, Pennsylvania 18974
(215) 674-6000

Officers: Jay H. Tolson, chairman of the board & chief exec. officer; Samuel S. Blackmore, chief operating officer & president; David J. Nessim, pres.-int'l. operations; Hubert A. Riester, sr. v.p.-engineering; Joseph T. DeLago, secretary; Frank P. Houpt, asst. secretary; Joseph A. Gaudiosi, asst. treasurer; Nathan T. Schelle, asst. treasurer & asst. secretary.

Directors: Jay H. Tolson, chairman; Gloria T. Chisum, David J. Nessim, Louis G.L. Thomas, Julius H. Tolson, Ram Charan, Samuel S. Blackmore, Joseph D. Brenner, J. Lee Ledbetter, William L. Mobraaten, Stuart J. Northrup.

Areas of Work: Designs, engineers, manufactures and sells process control instruments equipment and systems, including maintenance services and replacement parts for the measurement, recording and control of the flow of liquids and gases for municipal and industrial water, waste water, and sewage treatment and distribution; and for industrial process control in the petrochemical, pulp and paper, food, metal, mining, electrical power generation, marine and aerospace industries. Products include flow measurement instruments and instruments of a mechanical, electronic and pneumatic type, analytical instruments and chlorinators; analog, digital and microprocessor-based distributed control systems.

Subsidiaries:

Fischer & Porter Pty., Limited
Melbourne, Australia

Fischer & Porter (Canada) Limited
134 Norfinch Drive
P.O. Box 135
Toronto, Ontario, Canada

Fischer & Porter Limited
Salterbeck Trading Estate
Workington, Cumberland, England

Otic-Fischer & Porter
151 Fis Avenue de la Liberation
Clermont-Ferrand, France

Fischer & Porter GmbH
Postfach 701
34 Goettingen, West Germany

Fischer & Porter Italiana, S.p.A.
Via G. de Vittorio 3072
20099 Sesto San Giovanni
Milan, Italy

Fischer & Porter Research, Inc.
Horsham, Pennsylvania

Fischer & Porter European Operations
Antwerp, Belgium

Fischer & Porter B.V.
Gorinchem, Netherlands

Fischer & Porter Iberica, S.A.
Saturmino Celleja 1
Madrid, Spain

Fischer & Porter Ges.m.b.H.
Vienna, Austria

Fischer & Porter Belgium N.V.
Antwerp, Belgium

Fischer & Porter AB
Stockholm, Sweden

Fischer & Porter Oy
Helsinki, Finland

Fispo, S.A.
Mexico City, Mexico

Transfer Agent(s):

Mellon Bank (East)
Philadelphia, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: FP

Number of Employees:

1985	2,753	1982	3,382
1984	2,909	1981	3,937
1983	3,050		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 170,546,000	$ 5,085,000
1984	158,803,000	4,791,000
1983	165,193,000	583,000
1982	182,434,000	721,000
1981	191,112,000	1,354,000

	No. of Com. Shares +	Earn. per Share ‡ +
1985	3,943,000	$ 1.18
1984	3,882,000	1.12
1983	3,788,000	0.15
1982	3,720,000	0.19
1981	3,680,000	0.37

‡ Including extraordinary gains of $2,156,000 ($0.56 per share) in 1984 and $236,000 ($0.06 per share) in 1983.
+ Based on the monthly weighted average number of common and Class B common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	5%	—
1984	—	5%	—
1983	—	5%	—
1982	—	5%	—
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 60,725,000‡	$ 15.35
1984	52,001,000‡	13.42
1983	49,858,000‡	13.13
1982	51,624,000	13.81
1981	52,333,000	14.22

‡ After allowing for preferred stock at liquidation value.
+ Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 170,546	$ 158,803
Cost of sales	109,433	99,308
Expenses	49,724	49,903
Oper. profit	$ 11,389	$ 9,592
For. exch. loss (gain)	(267)	88
Interest expense	2,682	2,829
Other income	—	(1,014)
Income before taxes	$ 8,974	$ 7,689
Income taxes	3,889	5,054
Net Income	$ 5,085	$ 2,635
Extraordinary gain	—	2,156
Net Income & extraord. gain	$ 5,085	$ 4,791

* Included in Costs and Expenses, Depreciation and Amortization: $4,027,000 in 1985 and $4,112,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 5,090	$ 3,776
Receiv., net	41,766	36,208
*Inventories	52,448	51,481
Prepaid expenses	1,214	876
Current Assets	$ 100,518	$ 92,341
#Fixed assets	19,767	18,203
Other assets	2,589	1,937
Total Assets	$ 122,874	$ 112,481

Liabilities
(000's)

Notes payable	$ 6,563	$ 5,193
Long-term debt, curr.	3,529	4,421
Accts. payable	11,122	11,462
Accruals	4,619	3,307
Accrued payroll	11,246	9,887
Income taxes	2,121	608
Curr. Liabilities	$ 39,200	$ 34,878
Long-term debt	9,895	14,205
Other liab.	8,054	6,397
+ Preferred stock	5,000	5,000
+ + Common stock	3,348	3,113
+ + Class B	442	421
Add. paid-in Capital	43,906	41,148
Retained earnings	21,621	19,023
Cumulative trans. adjustment	(8,567)	(11,679)
Treasury stock	(25)	(25)
Total Liabilities & Shareholders' Equity	$ 122,874	$ 112,481

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $100 par value; 9% convertible.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.26	4.84
%Net Income to Sales	2.98	1.66
%Net Income to Equity	7.74	4.62
Debt to Equity	0.30	0.42
Working Capital	$61,318,000	$57,463,000
Current Ratio	2.56	2.65
Shareholders' Equity	$65,725,000	$57,001,000

Fleet Aerospace Corporation

(formerly Ronyx Corporation Limited)

Gilmore Road
Fort Erie, Ontario, Canada
(416) 871-2100

Mailing address:

P.O. Box 1506
St. Catherine, Ontario
L2R 7J9

Officers: A. George Dragone, president & chief executive officer; Bruce W. Gowan, secretary & treasurer.

Directors: A.G. Dragone, John E. Warrington, John M. Marsh, Robert T. Ruggles, Gerald M. Soloway

Fleet Aerospace Corporation

Areas of Work: Manufactures radar, microwave and sonar detection hardware; and components for military and civilian aircraft.

Divisions:

Fleet Industries Division
P.O. Box 400
Gilmore Road
Ft. Erie, Ontario
Canada L2A 5N3
(416) 871-2100

Techwest Division
3560 Westbrook Mall
Vancouver, British Columbia
Canada V6S 2L2
(604) 224-4331

Transfer Agent(s):

Guaranty Trust Company of Canada
Toronto, Ontario
Vancouver, British Columbia

Stock Exchange(s): Toronto, Vancouver

Ticker Symbol: FLT

Number of Employees:

1984	650	1981	953
1983	675	1980	965
1982	N.A.		

Plant Footage:

1984	500,000 sq. ft.	1981	500,000
1983	500,000	1980	500,000
1982	N.A.		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1984	$ 39,065,000	$ 1,905,000
1983	35,264,000	690,000
1982	34,904,000	290,000

	No. of Com. Shares	Earn. per Share #
1984	2,536,000	$ 0.76
1983	2,521,000	0.27
1982	2,521,000	0.12

+ Includes other income, of continuing operations only.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 13,255,000	$ 5.23
1983	11,242,000	4.46
1982	10,552,000	4.19

Income Account *

Year ended Sept. 30	1984	1983
Net sales	$ 39,065,000	$ 35,264,000
Cost of sales	33,053,000	30,450,000
Adm. & gen. expenses	3,039,000	3,229,000
Interest and debt expense	458,000	515,000
Interest income	(140,000)	(231,000)
Income before taxes	$ 2,655,000	$ 1,301,000
Income taxes	710,000	258,000
Inc. - cont. oper.	$ 1,945,000	$ 1,043,000
Loss - discont. oper.	(40,000)	(353,000)
Net Income	$ 1,905,000	$ 690,000

* Included in Costs and Expenses, Depreciation and Amortization: $534,000 in 1984 and $467,000 in 1983.

Assets

As of Sept. 30	1984	1983
Cash	$ 70,000	$ 42,000
Accts. receiv., net	7,034,000	5,913,000
Inc. taxes recov.	408,000	1,268,000
*Inventories	17,809,000	19,124,000
Prepaid expenses	148,000	210,000
Mortgage receiv.	261,000	365,000
Long-term receivable, curr. portion	469,000	439,000
Current Assets	$ 26,199,000	$ 27,361,000
Mortgage receiv.	879,000	950,000
Investments	171,000	—
#Fixed assets	4,864,000	4,595,000
Total Assets	$ 32,113,000	$ 32,906,000

Liabilities

Bank indebtedness	$ 9,753,000	$ 12,089,000
Long-term debt, curr.	753,000	602,000
Accts. payable & accruals	3,465,000	3,157,000
Income & other taxes	91,000	92,000
Def. inc. taxes	68,000	350,000
Curr. Liabilities	$ 14,130,000	$ 16,290,000
Long-term debt	4,407,000	4,854,000
Deferred inc. taxes	321,000	520,000
+ Common stock	2,348,000	2,240,000
Retained earnings	10,907,000	9,002,000
Total Liabilities & Shareholders' Equity	$ 32,113,000	$ 32,906,000

* Work in progress at lower of cost and realizable value; materials and supplies at lower of average cost and replacement cost.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	14.37	6.14
Working Capital	$12,069,000	$11,071,000
Current Ratio	1.85	1.68
Shareholders' Equity	$13,255,000	$11,242,000

Ford Motor Company

The American Road
Dearborn, Michigan 48121
(313) 322-3000

Officers: Donald E. Petersen, chairman of the board & chief executive officer; William C. Ford, vice chairman; Harold A. Poling, president & chief operating officer; Allan D. Gilmour, exec. v.p. & chief financial officer; Robert A. Lutz, exec. v.p. & chairman-Ford of Europe; Philip E. Benton, Jr., exec. v.p.-Ford Diversified Products Operations; Louis R. Ross, exec. v.p.-Ford North American Automotive Operations; John A. Betti, exec. v.p.-technical staffs; James K. Bakken, v.p.-operations support services; Louis Lataif, v.p.-sales operations; William E. Scollard, v.p.-manufacturing operations; Lionel M. Chicoine, v.p.-purchasing & supply; James W. Ford, v.p. & chairman-finance & insurance subsidiaries; Stuart M. Frey, v.p.-car product development; Robert C. Graham, v.p.-automotive components; L. Lindsey Halstead, v.p.-Latin American automotive operations; William J. Hayden, v.p.-manufacturing-Ford of Europe, Inc.; Donald B. Rassier, v.p. & president-Ford Aerospace & Communications Corporation; Charles L. Knighton, v.p.-small and mid size car engineering & planning; Donald F. Kopka, v.p.-design; Robert L. Rewey, v.p. & gen mgr.-Ford Division; Gordon B. MacKenzie, v.p.-sales, Ford of Europe, Inc; Robert F. Moglia, v.p. & gen. mgr.-Ford Tractor Operations; David N. McCammon, v.p. & controller; Henry R. Nolte, Jr., v.p. & general counsel; Peter J. Pestillo, v.p.-employee & external affairs; Helen O. Petrauskas, v.p.-environmental & safety engineering; Thomas J. Wagner, v.p. & gen. mgr.-Lincoln Mercury Division; John Sagan, v.p. & treasurer; Will Scott, v.p.-governmental relations; Wayne H. Smithey, v.p.-Washington Affairs; Alexander J. Trotman, v.p. & president-Ford of Europe Inc.; Kenneth Whipple, v.p.-corporate strategy; Lewis C. Veraldi, v.p.-luxury & large car engineering & planning; Edson P. Williams, v.p. & gen. mgr.-truck operations; Walter Hayes, v.p. & vice chairman-Ford of Europe Inc.; Frederick Z. Herr, v.p.-engineering & manufacturing.

Directors: Donald E. Petersen, chairman of the board; Philip Caldwell, Henry Ford, II, Carter L. Burgess, Arjay Miller, Kenneth H. Olsen, Harold A. Poling, William C. Ford, Franklin D. Murphy, Clifton R. Wharton, Jr., Marian S. Heiskell, Colby H. Chandler, Roberto C. Goizveta, John B. Connally, Michael D. Dingman, Robert A. Lutz, Philip E. Benton, Jr., John A. Betti, Louis R. Ross, Allan D. Gilmour, Carl E. Reichardt.

Areas of Work: Engaged in the manufacture of cars, trucks, tractors and their parts; also manufactures and sells electronic products, industrial and chemical products, architectural glass, and defense-space products for the government, as well as engaged in finance and insurance operations.

Subsidiaries:

Ford Aerospace & Communications Corporation
Detroit, Michigan

Ford Motor Company Caribbean, Inc.
Canovanas, Puerto Rico

Eveleth Taconite Company*
Eveleth, Minnesota

Ford International Capital Corporation
Hamilton, Bermuda

Ford Motor Credit Company (unconsolidated)
Dearborn, Michigan

Detroit Downtown Development Corporation
(unconsolidated)
Dearborn, Michigan

The American Road Insurance Company
(unconsolidated)
Dearborn, Michigan

Ford Life Insurance Company (unconsolidated)
Dearborn, Michigan

Ford Leasing Development Company (unconsolidated)
Dearborn, Michigan

Ford Motor Land Development Corporation
(unconsolidated)
Dearborn, Michigan

Ford of Europe, Incorporated
Brentwood, Essex, England

Henry Ford & Son, Limited
Cork, Ireland

Ford Tractor (Belgium) Limited
Antwerp, Belgium

Ford Motor Credit Company Limited
(unconsolidated)
Brentwood, Essex, England

Ford Motor Company (Belgium) N.V.*
Antwerp, Belgium

Ford Motor Company (Switzerland) S.A
Zurich, Switzerland

Ford Motor Argentina, S.A.
Buenos Aires, Argentina

Ford Motor Company, S.A.
Mexico City, Mexico

Ford (Uruguay) S.A.
Montevideo, Uruguay

Ford Motor de Venezuela S.A.
Valencia, Venezuela

Ford Motor Company of Canada, Limited*
Oakville, Ontario, Canada

Ford Motor Company of Australia Limited
Campbellfield, Australia

Ensite Limited
Windsor, Ontario, Canada

Ford Brasil S.A.*
Sao Bernardo do Campo, Brazil

Ford-Werke AG
Cologne, Germany

Ford Credit Bank AG (unconsolidated)
Cologne, Germany

Ford Motor Company (Austria) KG
Salzburg, Austria

Ford Motor Company (Egypt) S.A.E.
Alexandria, Egypt

Ford France S.A.
Rueil-Malmaison, France

Ford Italiana, S.p.A.
Rome, Italy

Ford Lusitana, S.A.R.L.
Lisbon, Portugal

Ford Motor Company A/S*
Copenhagen, Denmark

Ford Motor Norge A/S
Kolbotn, Norway

O/Y Ford A/B*
Helsinki, Finland

Ford Nederland N.V.*
Amsterdam, The Netherlands

Ford Motor Company Aktiebolag*
Stockholm, Sweden

Ford Credit S.A. (unconsolidated)
Madrid, Spain

Ford Financiadora S.A. (unconsolidated)
Sao Paulo, Brazil

Ford Motor Company of Malaysia, Sdn. Bhd.
Kuala Lumpur, Malaysia

Ford Motor Company (Japan) Ltd.
Tokyo, Japan

Ford Espana S.A.
Madrid, Spain

Ford Lio Ho Motor Company, Ltd.*
Taipei, Taiwan

Ford of Europe Incorporated Branch
Cologne, Germany

Ford Credit Australia Limited (unconsolidated)
Melbourne, Australia

Transcon Insurance Limited (unconsolidated)
Hamilton, Bermuda

Ford Asia-Pacific, Inc.
Melbourne, Australia

Fordson Coal Company
Dearborn, Michigan

Credit Ford S.A. (unconsolidated)
Paris, France

Essex Manufacturing
Windsor, Ontario, Canada

Ford International Finance Corporation
Hamilton, Bermuda

Ford Motor Company Limited
Brentwood, Essex, England

Ford-Werke AG
Genk, Belgium

Philco Radio e Televisao, Ltda.
Sao Paulo, Brazil

Ford Motor Company of New Zealand Limited
Lower Hutt, New Zealand

Ford Direct Market Operations, Incorporated
Dearborn, Michigan

Ford Credit Canada Limited (unconsolidated)
Oakville, Ontario, Canada

* Subsidiaries in which there is an outstanding minority interest.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Bank of America National Trust and Savings Association
Corporate Agency
P.O. Box 37002
San Francisco, California 94137

Continental Illinois National Bank and Trust Company
of Chicago
180 North LaSalle Street (sixth floor)
Chicago, Illinois 60601

Manufacturers National Bank of Detroit
100 Renaissance Center
Detroit, Michigan 48243

Montreal Trust Company
P.O. Box 1900, Station B
Montreal, Quebec, Canada H3B 3L6

National Trust Company, Limited
4 King Street West
Toronto, Ontario, Canada M5H 3W7

Stock Exchange(s): New York, Midwest, Pacific, Boston, Philadelphia, Toronto, Montreal

Ticker Symbol: F

Number of Employees:

1985	369,314	1982	379,200
1984	389,900	1981	404,800
1983	380,100		

Sales and Earnings

		Net Sales (000's)	Net Income (000's)
1985	$	52,774,400	$ 2,515,400
1984		52,366,400	2,906,800
1983		44,454,600	1,866,900
1982		37,067,200	(657,800)
1981		38,247,100	(1,060,100)

	No. of Com. Shares ‡	Earn. per Share ‡
1985	184,600,000	$ 13.63
1984	184,100,000	15.79
1983	181,400,000	10.29
1982	180,600,000	—
1981	180,400,000	—

(Loss)
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Automotive	$48,879	93%	$48,513	93%
Non-automotive	3,895	7	3,853	7
Total	$52,774	100%	$52,366	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$2.40	—	—
1984	2.00	—	—
1983	0.50	—	3-for-2
1982	—	—	—
1981	0.80	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

		Total Equity (000's)	Equity Per Share ‡
1985	$	12,268,600	$ 65.92
1984		9,837,700	52.86
1983		7,545,300	41.23
1982		6,077,500	33.60
1981		7,362,200	40.71

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 52,774,400	$ 52,366,400
Cost of sales	44,435,400	43,425,400
Expenses	2,525,200	2,544,100
Depreciation	1,444,400	1,328,600
Amort. of special tools	948,400	979,200
Emp. retire. plan	691,300	666,900
Interest income	(302,500)	(381,500)
Eq. in inc. of subsid.	(598,100)	(479,100)
Income before taxes	$ 3,630,300	$ 4,282,800
Income taxes	1,103,100	1,328,900
Minority interest	11,800	47,100
Net Income	$ 2,515,400	$ 2,906,800

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 2,014,200	$ 1,171,500
Marketable securities	3,889,600	4,771,700
Receiv., net	2,851,900	2,526,100
*Inventories	4,601,900	4,115,200
Other assets	656,600	746,200
Current Assets	$ 14,014,200	$ 13,330,700
Eq. in assets of unconsol. subsid.	4,176,400	2,832,100
#Fixed assets	12,421,400	10,549,100
Other assets	991,600	773,700
Total Assets	$ 31,603,600	$ 27,485,600

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 318,000	$ 651,300
Short-term debt	956,600	696,700
Accts. payable	6,577,500	6,190,500
Income taxes	446,600	509,700
Accruals	4,478,700	3,919,500
Curr. Liabilities	$ 12,777,400	$ 11,967,700
Long-term debt	2,157,200	2,110,900
Other liabilities	3,071,900	2,430,500
Deferred inc. taxes	1,214,100	1,000,900
Minority interests	114,400	137,900
+ Common stock	344,600	344,400
+ Class B stock	27,600	27,800
Add. paid-in capital	754,300	580,100
For. curr. trans. adjust.	(970,500)	(1,365,400)
Retained earnings	12,112,600	10,250,800
Total Liabilities & Shareholders' Equity	$ 31,603,600	$ 27,485,600

* At lower of cost (domestic inventories at LIFO, foreign at FIFO) or market.
# Less accumulated depreciation.
+ $2.00 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.88	8.18
%Net Income to Sales	4.77	5.55
%Net Income to Equity	20.50	29.55
Sales to Inventories	11.47	12.73
Debt to Equity	0.28	0.35
Working Capital	$ 1,236,800,000	$1,363,000,000
Current Ratio	1.10	1.11
Shareholders' Equity	$12,268,600,000	$9,837,700,000

The Foxboro Company

Bristol Park
Foxboro, Massachusetts 02035
(617) 543-8750

Officers: Earle W. Pitt, chairman of the board, president & chief exec. officer; Gerald H. Gleason, James W. Graham, Charles E. Jordan, Peter F. McCrea, Michael W. Powell, Gary K. Willis, vice presidents; Howard L. Osler, v.p., secretary, controller & chief accounting officer; Gerald F. Morris, v.p., treasurer & chief financial officer; John C. Fuller, asst. secretary & clerk.

Directors: Rexford A. Bristol*, Bristol B. Crocker, Robert F. Jenkins, John Jeppson II, James R. Nichols*, Earle W. Pitt*, Paul W. Murrill, G. Richard Westin, Michael R. Corboy, John R. Rockwell, Charles A. McKay, Richard W. Sonnenfeldt.

* Member of the Executive Committee

Areas of Work: Designs, manufactures and sells mechanical, pneumatic and electronic products for process and energy control. Products measure such production variables as flow, pressure, temperature levels; records, indicators, controllers, transmitters, valves and control panel and complete analog and digital systems.

Divisions and Subsidiaries:

Foxboro Brazil, Inc.
100 W. Tenth Street
Wilmington, Delaware 19801
(617) 543-8750

Foxboro/Jordon Inc.
5607 West Douglas Avenue
Milwaukee, Wisconsin
(414) 461-9200

Foxboro Far East Private Ltd.
P.O. Box 52
Farrer Road
Singapore

Foxboro (Malaysia) Sendirian Berhad
130 Jalan Kasah
Medan Damansara
Kuala Lumpur, 23-10, Malaysia

Foxboro-Argentina, S.A.
Avendia R.S. Pena 570
Buenos Aires, Argentina
33-7585

Foxboro Controles, S.A.
P.R. Testing Building
Dr. Mario Julia Industrial Development
Matadero Road
Puerto Nuevo, Puerto Rico 00920
(809) 782-8033

Foxboro Intertrade, Inc.
110 West Tenth Street
Wilmington, Delaware 19801
(617) 543-8750

Foxboro International Limited
Wiggie House
Redhill
Surrey, England RH1 2HL

Foxboro Canada, Inc.
707 Dollard Avenue
La Salle, Quebec, Canada
(514) 366-4210

Foxboro-Yoxall
Division of Foxboro Great Britain Ltd.
Redhill
Surrey, England RH1 2HL

Foxboro (Nederland) NV
Koningsweg, 30
Soest, Netherlands

Foxboro S.A.
Avena 410 and 410-A
Mexico 8, DF, Mexico

Foxboro, France, S.A.
B.P. 741
95004 Cergy Pontoise Cedex
France

Foxboro, KK
7, Kojimachi
Chiyoda-Ku
Tokyo, Japan
1048

Foxboro Proprietary Limited
Maroondah Highway
Lilydale 3140 Victoria, Australia

Foxboro Italia, SpA
Via Fabio Filzi, 27
Milan, Italy

Foxboro Deutschland GmbH
4000 Dusseldorf 11
West Germany

Foxboro/I.T.C., Inc.
1750 Junction Avenue
San Jose, California
(408) 998-8720

Foxboro Trading, Inc.
100 West Tenth Street
Wilmington, Delaware

Foxboro Intercontinental Ltd
P.O.Box 3361
Amman, Jordan

Foxboro Analytical Division

Analabs, Inc.
800 Republic Drive
North Haven, Connecticut 06478

ARCAS Chromotography Center
10707 Haddingten Street
Houston, Texas 77043

Balsbaugh Center
Armstrong Road
Plymouth Industrial Park
Plymouth, Massachusetts 02360

Burlington/Center
P.O. Box 435
78 Blanchard Road
Burlington, Massachusetts 01803

Wilks Infrared Center
P.O. Box 499
140 Water Street
South Norwalk, Connecticut 06856

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 1681
Boston, Massachusetts 02105

Stock Exchange(s): New York, London

Ticker Symbol: FOX

Number of Employees:

1985	8,700	1982	11,150
1984	10,250	1981	11,950
1983	10,218		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 572,175	$ (34,154)
1984	515,856	4,272
1983	533,102	7,977
1982	603,437	34,849
1981	606,870	44,837

	No. of Com. Shares +	Earn. per Share +
1985	12,353,253	$ —
1984	12,352,834	0.35
1983	12,346,671	0.65
1982	12,422,479	2.81
1981	12,468,489	3.60

(Loss)
+ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.78	—	
1984	1.04	—	—
1983	1.04	—	—
1982	1.04	—	—
1981	0.933	—	3-for-2

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 259,911	$ 21.04
1984	291,985	23.64
1983	310,591	25.16
1982	322,222	25.94
1981	309,687	24.84

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 572,175	$ 515,856
Cost of sales	360,498	313,015
Expenses	205,099	199,740
Other income	(4,315)	(4,053)
Interest expense	6,447	3,810
Restructuring costs	43,632	—
Other charges	868	2,372
Inc. (loss) bef. taxes	$ (40,054)	$ 972
Tax credit	(5,900)	(3,300)
Net Income (Loss)	$ (34,154)	$ 4,272

* Included in Costs and Expenses, Depreciation and Amortization: $24,977,000 in 1985 and $20,541,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 4,688	$ 7,270
Short-term investments	4,485	4,239
Accts. receiv., net	141,047	128,951
Refundable taxes	25,230	26,447
*Inventories	186,931	176,400
Prepaid expenses	8,325	7,431
Current Assets	$ 370,706	$ 350,738
#Fixed assets	110,345	106,258
Other assets	7,944	7,586
Intangibles	6,298	5,857
Total Assets	$ 495,293	$ 470,439

Liabilities
(000's)

	1985	1984
Bank loans	$ 45,098	$ 17,230
Long-term debt, curr.	2,834	2,834
Accts. payable	26,794	33,731
Accruals	34,455	22,309
Advances	55,895	64,094
Income taxes	4,298	1,931
Curr. Liabilities	$ 169,374	$ 142,129
Long-term debt	16,968	19,802
Other liabilities	4,132	3,263
Deferred inc. taxes	14,958	13,260
Deferred pension costs	29,950	—
+Common stock	12,570	12,570
Add. paid-in capital	71,907	71,902
Cum. trans. adjust	(14,028)	(25,733)
Retained earnings	195,475	239,264
Treasury stock	(6,013)	(6,018)
Total Liabilities & Shareholders' Equity	$ 495,293	$ 470,439

* At lower of cost or market. Domestic inventories at LIFO; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	0.19
%Net Income to Sales	—	0.83
%Net Income to Equity	—	1.46
Sales to Inventories	3.06	2.92
Debt to Equity	0.04	0.08
Working Capital	$201,332,000	$208,609,000
Current Ratio	2.19	2.47
Shareholders' Equity	$259,911,000	$291,985,000

Frequency Electronics, Inc.

55 Charles Lindbergh Boulevard
Mitchel Field, New York 11553
(516) 794-4500

Officers: Martin B. Bloch, chairman & president; Abraham Lazar, exec. v.p.; John C. Ho, v.p.-research & development; Marvin Meirs, v.p.-engineering; Alfred Vulcan, v.p.-systems engineering; Harry Newman, treasurer & secretary; Markus Hechler, v.p.-manufacturing & asst. secretary; Charles S. Stone, v.p.

Directors: Martin B. Bloch, chairman; John C. Ho, Abraham Lazar, E. John Rosenwald, Jr., Andrew Gaspar.

Areas of Work: Operates principally in two industries — frequency and time control products, and microwave integrated circuit components. Operations in the frequency and time control area consist of the research, design and manufacture of systems, instruments and equipment that operate on frequency control. These systems are used in guidance, navigation communications, surveillance and electronic countermeasure and timing systems. Operations in the microwave integrated circuit component industry consist of the design and manufacture of metallized substrates, having application with radar, communications and navigation equipment. Products include: quartz crystals, quartz crystal oscillators and discriminators, and cesium beam resonators.

Divisions and Subsidiaries:

Tek-wave, Inc.
Manufacturer of devices, components and sub-systems for Microwave Integrated Circuit (MIC) applications. Products include hermetic and non-hermetic connectors and circuit frames, metallized substrates and thin film circuit fabrication, and sub-system packages which incorporate these various components.

Brightline Corporation
Designs, develops, and manufactures low noise oscillators, synthesizers, and frequency sources.

Joint Ventures:

Time and Frequency, Ltd.
Manufactures time and frequency products in Europe and Israel.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: FEI

Number of Employees:

1985	430	1983	359
1984	400	1982	314

Plant Footage:

1985	97,300 sq. ft.	1983	131,000
1984	134,750	1982	131,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 25,008,000	$ 3,996,000
1984	17,188,000	3,110,000
1983	17,169,000	3,039,000
1982	15,157,000	3,984,000
1981	14,240,356	2,190,870

	No. of Com. Shares #	Earn. per Share #
1985	3,042,862	$ 1.31
1984	3,051,557	1.02
1983	3,051,768	1.00
1982	3,033,709	1.31
1981	2,447,139	0.90

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Frequency & time control devices:		
Components	$ 6,498,000	$ 5,361,000
Instruments	11,519,000	7,161,000
Systems	6,234,000	4,080,000
Microwave integrated circ. compon.	757,000	586,000
Total	$ 25,008,000	$ 17,188,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-2 & 2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 36,254,000	$ 11.91
1984	32,406,000	10.62
1983	29,257,000	9.59
1982	26,245,000	8.65
1981	9,739,220	3.98

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended April 30	1985	1984
Net sales	$ 25,008,000	$ 17,188,000
Cost of sales	17,430,000	10,864,000
Expenses	2,450,000	2,330,000
Interest & other income	(1,588,000)	(1,691,000)
Income before taxes	$ 6,716,000	$ 5,685,000
Income taxes	2,720,000	2,575,000
Net Income	$ 3,996,000	$ 3,110,000

* Included in Costs and Expenses, Depreciation and Amortization: $863,000 in 1985 and $789,000 in 1984.

Assets

As of April 30	1985	1984
Cash & cash equiv.	$ 12,908,000	$ 15,611,000
Accts. receiv., net	12,009,000	7,012,000
*Inventories	10,889,000	7,829,000
Prepayments and other	284,000	483,000
Current Assets	$ 36,090,000	$ 30,935,000
#Fixed assets	8,383,000	8,504,000
Other assets	1,333,000	1,275,000
Total Assets	$ 45,806,000	$ 40,714,000

Liabilities

Long-term debt, curr.	$ 369,000	$ 364,000
Accts. payable	1,520,000	1,233,000
Accruals	499,000	525,000
Accrued payroll	488,000	473,000
Accrued taxes	154,000	136,000
Income taxes pay.	257,000	—
Def. inc. taxes	797,000	303,000
Curr. Liabilities	$ 4,084,000	$ 3,034,000
Long-term debt	3,554,000	3,859,000
Deferred compensation	267,000	261,000
Rent security deposits	88,000	37,000
Deferred taxes payable	1,559,000	1,117,000
+Common stock	3,078,000	3,078,000
Add. paid-in capital	16,245,000	16,178,000
Retained earnings	17,202,000	13,269,000
Treasury stock	(271,000)	(119,000)
Total Liabilities & Shareholders' Equity	$ 45,806,000	$ 40,714,000

* At lower of cost (specific and average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	26.86	33.08
%Net Income to Sales	15.98	18.09
%Net Income to Equity	11.02	9.60
Sales to Inventories	2.30	2.20
Debt to Equity	0.11	0.13
Working Capital	$32,006,000	$27,901,000
Current Ratio	8.84	10.20
Shareholders' Equity	$36,254,000	$32,406,000

GAP Instrument Corp.

40 Oser Avenue
Hauppauge, New York 11788
(516) 273-0909

Officers: Alan G. Binnie, chairman and chief executive officer; Joseph J. Langford, president & treasurer; Henry R. Hess, secretary; Henry J. Torti, v.p.

Directors: Alan G. Binnie, Joseph J. Langford, Fred A. Vernon, Richard M. Goldfrank.

Areas of Work: Manufactures electromechanical and solid-state systems, electronic components and servo mechanisms, and test and simulation equipment for military and commercial purposes.

Transfer Agent(s):

Registrar & Transfer Co.
P.O. Box 436
Jersey City, New Jersey 07303

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	30	1982	29
1984	31	1981	29
1983	30		

Plant Footage:

1985	17,000 sq. ft.	1982	27,500
1984	27,500	1981	27,500
1983	27,500	1980	27,500

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 1,858,942	$ 101,215
1984	1,535,003	115,351
1983	1,332,566	81,779
1982	1,321,474	27,292
1981	1,123,910	(59,788)

	No. of Com. Shares	Earn. per Share ‡ +
1985	2,034,353	$ 0/05
1984	1,614,454	0.07
1983	1,614,454	0.05
1982	1,614,454	0.01
1981	1,614,454	—

(Loss)
‡ Including extraordinary credits of $19,999 (0.01 per share) in 1984, $3,750 in 1983 and $4,897 in 1982.
+ Based on the average number of shares outstanding.

Income Account *

Year ended Dec. 31		1985		1984
Net sales	$	1,858,942	$	1,535,003
Cost of sales		1,145,683		928,414
Expenses		539,560		461,192
Interest expense		19,830		10,284
Income before taxes	$	153,869	$	135,113
Income taxes		52,654		39,761
Net Income	$	101,215	$	95,352
Extraord. credit		—		19,999
Net Income & extraord. credit	$	101,215	$	115,351

* Included in Costs and Expenses. Depreciation: $9,473 in 1985 and $10,931 in 1984.

Assets

As of Dec. 31		1985		1984
Cash	$	48,184	$	32,980
Accts. receiv., net		289,358		145,046
*Inventories		296,978		364,426
Prepaid expenses		4,747		13,057
Current Assets	$	639,267	$	555,509
Other assets		36,822		31,795
Total Assets	$	676,089	$	587,304

Liabilities

Long term debt, curr.	$	207,325	$	—
Accts. payable		116,174		96,639
Income taxes		19,089		7,890
Accruals		5,959		16,534
Accrued payroll & taxes		34,164		34,753
Curr. Liabilities	$	382,711	$	155,816
Long-term debt		—		491,2o5
Deferred salaries		64,474		64,474
+Common stock		203,435		161,445
Add. paid-in capital		2,804,493		2,594,543
Accumulated deficit		(2,779,024)		(2,880,239)
Total Liabilities & Shareholders' Equity	$	676,089	$	587,304

* At lower of current cost or market.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.28	8.80
%Net Income to Sales	5.44	6.21
Sales to Inventories	6.26	4.21
Debt to Equity	0.91	—
Working Capital	$256,556	$ 399,693
Current Ratio	1.67	3.57
Shareholders' Equity (Deficiency)	$228,904	$(124,251)

Gates Learjet Corporation

(64.8% owned subsidiary of The Gates Corporation)

Mid-Continent Airport
P.O. Box 7707
Witchita, Kansas 67277
(316) 946-2000

Officers: Charles C. Gates, chairman of the board; James B. Taylor, president; Donald J. O'Mara, exec. v.p. & chief operating officer; A.J. Brizzolara, exec. v.p. & president-Jet Electronics & Technology, Inc.; Robert P. Anderson, exec. v.p. & pres.-FBO Division; A.M. Hain, asst. treasurer & corp. controller; D.L. Mayer, secretary & general counsel; W.R. Edgar, v.p.-government relations; E.R. Miller, v.p.-human resources; W.G. Robinson, asst. secretary & v.p.-public affairs; J.S. Medeiros, sr. v.p.-adminstration/planning; M.I. Berger, v.p.-resale marketing; A.F. Green, v.p. & general manager-commercial aircraft; D.J. Grommesh, v.p.-engineering; R.W. Lloyd, v.p.-marketing services; B.B. Overfield, v.p.-manufacturing-Aerospace Division; H.K. Langthorp, v.p.-materiale; M.F. Mastin, v.p.-North American Sales; T. Sullivan, v.p.-Eastern Region; W.L. Glodfelty, v.p.-Western Region; R.M. Mooney, v.p. & general mgr.-Aerospace Division; D.H. Lee, treasurer & chief financial officer-FBOs; N.S. Kuzo, v.p.-Central Region; R.C. Williams, v.p. & general sales manager; G.T. Wolin, v.p.-marketing-Combs-Gates Denver, Inc.; R.N. Fitzgerald, exec. v.p. & general manager-Combs-Gates Bradley, Inc.; M. Sinker, v.p. & general manager-Combs-Gates Florida, Inc.; T.B. Winget, president & general manager-Combs-Gates Indianapolis, Inc.; H. Harris, v.p. & general manager-Combs-Gates Palm Springs, Inc.; R.O. Schenk, v.p.-manufacturing-Jet Electronics & Technology, Inc.; L.R. Flynn, v.p. & general manager-Combs-Gates Arapahoe; H.W. Veverica, v.p.-engineering-Jet Electronics & Technology, Inc.; D.B. Norton, president-Gates Learjet Aircraft Services Corp.

Directors: Charles C. Gates, Neil A. Armstrong, Robert G. Bonham, Harry B. Combs, Frederic C. Hamilton, Albert B. Fay, H. Benjamin Duke, Jr., James B. Taylor.

Areas of Work: Manufactures and markets jet aircraft; airborne electronics equipment for military and commercial application, including navigation, altitude reference systems, standby gyro horizon and power supply systems; maintains airplane service and sales operations.

Facilities:

Aerospace Division & Wichita Operations
Mid-Continent Airport
8220 W. Harry Street
Wichita, Kansas 67209
(316) 946-2000

Corporate Headquarters & Aircraft Division
Tucson International Airport
P.O. Box 11186
Tucson, Arizona 85734
(602) 746-5100
(602) 294-4422 (Marketing)

Divisions and Subsidiaries:

Fixed Base Operations:
Combs-Gates Denver, Inc.
Stapleton International Airport
Denver, Colorado

Combs Gates Arapahoe
Centennial Airport
Englewood, Colorado

Combs-Gates Bradley, Inc.
Bradley International Airport
Windsor Locks, Connecticut

Combs-Gates Florida, Inc.
Ft. Lauderdale/Hollywood International Airport
Ft. Lauderdale, Florida

Combs-Gates Indianapolis, Inc.
Indianapolis International Airport
Indianapolis, Indiana

Combs-Gates Palm Springs, Inc.
Palm Springs Municipal Airport
Palm Springs, California

Jet Electronics & Technology, Inc.
5353 52nd Street
Grand Rapids, Michigan

Gates Learjet Aircraft Services Corporation
Mid-Continent Airport
Wichita, Kansas

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

The Fourth National Bank and Trust Company
200 East Douglas
Wichita, Kansas 67202

Stock Exchange(s): American

Ticker Symbol: GLJ

Number of Employees:

1985	2,289	1982	3,169
1984	3,473	1981	6,841
1983	3,756		

Plant Footage:

1985 1,394,000 sq. ft.

Sales and Earnings

		Net Sales		Net Income
1985	$	317,282,000	$	(22,968,000)
1984		406,622,000		(10,626,000)
1983		350,507,000		449,000
1982		548,461,000		14,649,000
1981		564,890,000		22,444,000

	No. of Com. Shares #	Earn. per Share #
1985	12,100,198	$ —
1984	12,100,198	—
1983	12,100,198	0.04
1982	12,100,198	1.21
1981	12,094,358	1.86

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$ —	—	—
1984	0.05	—	—
1983	0.14	5%	—
1982	0.19	—	—
1981	0.19	—	2-for-1

+ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

		Total Equity	Equity Per Share †
1985	$	90,747,000	$ 7.50
1984		113,715,000	9.40
1983		124,946,000	10.33
1982		126,245,000	10.43
1981		113,901,000	9.42

† Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split.

Income Account *
(000's)

Year ended April 30		1985		1984
Net sales	$	317,282	$	406,622
Other income		1,237		1,177
Total Income	$	318,519	$	407,799
Cost of sales		258,307		343,554
Expenses		67,843		70,936
Interest expense		16,396		14,681
Write-off of Avanti prog.		11,664		—
Loss before taxes	$	(35,691)	$	(21,372)
Tax credit		(12,723)		(10,746)
Net Loss	$	(22,968)	$	(10,626)

* Included in Costs and Expenses. Depreciation and Amortization: $15,818,000 in 1985 and $9,504,000 in 1984.

Assets
(000's)

As of April 30		1985		1984
Cash	$	12,502	$	2,963
Notes & accts. receiv., net		26,068		28,270
Refundable income taxes		15,060		11,165
*Inventories		89,096		135,676
Prepaid expenses		8,329		12,150

Current Assets	$ 151,055	$ 190,224
#Fixed assets	185,180	147,984
Other assets	12,940	16,924
Total Assets	$ 349,175	$ 355,132

Liabilities
(000's)

Long-term debt, curr	$ 11,406	$ 4,195
Accts. payable	13,392	20,935
Accrued liabilities	18,913	24,138
Employee compens.	10,601	12,198
Customer deposits	11,641	17,083
Revolv. credit agree.	20,000	96,000
Curr. Liabilities	$ 85,953	$ 174,549
Long-term debt	153,022	53,271
Deferred liabilities	19,453	13,597
+Common Stock	12,100	12,100
Add. paid-in capital	72,593	72,593
Retained earnings	6,054	29,022
Total Liabilities & Shareholders' Equity	$ 349,175	$ 355,132

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

Sales to Inventories	3.56	3.00
Debt to Equity	1.81	0.51
Working Capital	$65,102,000	$ 15,675,000
Current Ratio	1.76	1.09
Shareholders' Equity	$90,747,000	$113,715,000

GCA Corporation

7 Shattuck Road
Andover, Massachusetts 01810
(617) 275-9000

Officers: Richard P. Rifenburgh, chairman of the board, president & chief executive officer; James E. Gallagher, sr. v.p.-international and government affairs; Peter Simone, Louis F. Bieck, John H. Bruning, v.p.'s; Warren R. Davidson, v.p.-corporate relations; Roger M. Barzun, secretary & gen. counsel; John H. Hastings, treasurer.

Directors: Richard P. Rifenburgh, chairman; Philip J. Ablove, Richard L. Karpen, Raj Reddy.

Areas of Work: Designs, manufactures and markets highly automated capital equipment to integrated circuit manufacturers, and markets related precision optical systems and lenses.

Divisions:

Tropel Division
Fairport, New York
Designs and manufactures high-quality, precision industrial lenses used in photolithography, in graphic arts production systems, and in optical storage retrieval systems.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: GCA

Number of Employees:

1985	2,200	1982	2,200
1984	3,500	1981	2,652
1983	2,700		

Plant Footage:

1985 ...... 544,000 sq. ft. 1984 825,000

Sales and Earnings

	Net Sales +	Net Income
1985	$ 156,484,000	$ (145,472,000)
1984	240,097,000	28,569,000
1983	136,520,000	1,378,000
1982	69,260,000	(14,780,000)
1981	144,924,000	21,911,000

	No. of Com. Shares #	Earn. per Share #
1985	13,899,000	$ —
1984	13,584,000	2.10
1983	13,304,000	0.10
1982	12,521,000	—
1981	12,638,000	1.73

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	50%	—
1982	0.067	—	—
1981	0.111	50%	—

# Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ (14,027,000)	$ —
1984	127,685,000	9.40
1983	90,458,000	6.80
1982	82,366,000	6.58
1981	95,169,000	7.53

(Deficiency)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 156,484	$ 240,097
Cost of sales	132,318	118,127
Expenses	74,305	64,345
Interest expense	11,600	8,633
Prov. for realign. of oper.	46,613	—
Inc. (loss) bef. taxes	$ (108,352)	$ 48,992
Income taxes (credit)	(14,112)	15,893
Inc. (loss)-cont. oper.	$ (94,240)	$ 33,099
Loss - discont. oper.	(51,232)	(4,530)
Net Income (Loss)	$ (145,472)	$ 28,569

* Included in Costs and Expenses, Depreciation and Amortization: $9,469,000 in 1985 and $6,767,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 2,907	$ 3,145
Accts. receiv., net	29,037	111,463
*Inventories	72,979	95,777
Prepaid expenses	4,542	2,822
Net assets of disc. oper.	26,964	—
Current Assets	$ 136,429	$ 213,207
#Fixed assets	52,957	57,333
Intangibles	—	6,554
Other assets	10,543	18,474
Total Assets	$ 199,929	$ 295,568

Liabilities
(000's)

Long-term debt., curr.	$ 108,844	$ 2,361
Accts. payable	30,632	30,571
Deferred income tax	—	9,033
Accruals	63,457	29,839
Curr. Liabilities	$ 202,933	$ 71,804
Long-term debt	231	86,823
Oblig. under cap. leases	6,818	2,364
Deferred inc. taxes	—	5,334
Other liabilities	3,974	1,558
+Common stock	8,403	8,245
Add. paid-in capital	55,252	52,237
Retained earnings (deficit)	(75,497)	69,975
Restricted stock	(2,185)	(2,772)
Total Liabilities & Shareholders' Equity	$ 199,929	$ 295,568

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.60 par value.

Statistical Summary

%Net Income to Equity	—	22.37
Sales to Inventories	2.14	2.51
Debt to Equity	8.26	0.72
Working Capital	—	$141,403,000
Current Ratio	—	2.97
Shareholders' Equity (Deficiency)	$(14,027,000)	$127,685,000

GenCorp

(Formerly The General Tire & Rubber Company)

One General Street
Akron, Ohio 44329
(216) 798-3000

Officers: M. Gerald O'Neil, chairman; A. William Reynolds, president & chief exec. officer; Jack L. Heckel, v.p. & chairman-Aerojet General; Gilbert H. Neal, v.p. & president-General Tire; Shane O'Neil, v.p. & president-RKO General; Samuel Salem, v.p. & president-DiversiTech General; Sundar L. Aggarwal, v.p. & director-Research; Delmer C. Dague, v.p.-Corporate Quality Assurance; Charles R. Ennis, v.p. & gen. counsel; Joseph M. Leyden, asst. to president-Shareholder Relations; Robert L. Malcolm, v.p.-Human Resources; W. Allen Mays, v.p.-Customer Relations; John J. Dalton, v.p. & secretary; Gary W. Meader, v.p. & chief financial officer; David L. Herbert, v.p. & controller; Keith E. Johnson, v.p. & treasurer; Charles N. Nye, v.p.-Planning & Development; James D. Ritchie, v.p.-Public Relations; Jack A. Bonsky, asst. secretary & assoc. gen. counsel; Robert W. Morris, asst. treasurer; Frank C. Rote, asst. secretary.

Directors: M. Gerald O'Neil*, chairman; John O'Neil, David S. Henkel, Richard B. Tullis*, James T. Morley, William B. Walsh, James J. Kerley, William F. Spitznagel*, Thomas F. O'Neil, A.J. Moccia, A. William Reynolds.

*Member of the Executive Committee.

Divisions and Subsidiaries:

General Tire
One General Street
Akron, Ohio 44329
(216) 798-3000
Bias and radial construction passenger tires, light truck tires, medium and heavy truck tires, bias construction special purpose tires, farm tires, industrial tires and tire fabrics, international technical services, export tire sales and tire plant design and construction.

DiversiTech General
One General Street
Akron, Ohio 44329
(216) 798-3000
Vinyl-coated fabrics, fiberglass-reinforced plastic components and assemblies, extruded and molded rubber products and rubber-to-metal assemblies, commercial and residential wallcoverings, tennis balls and racquetballs, gaskets, seals, moldings and magnetic polymer materials, plastic film and sheeting, latex and synthetic rubber, single-ply roofing systems.

Aerojet-General
10300 North Torrey Pines Road
La Jolla, California 92037
(619) 455-8500

GenCorp

Solid rocket and propulsion systems, tactical rocket motors, liquid propellant systems, advanced munition systems, sensor and satellite systems.

RKO General, Inc.
1440 Broadway
New York, New York 10018
(212) 764-7000

Broadcasting operations of 6 PM and 6 AM radio stations and 3 television stations, 11 soft drink bottling and canning operations, motion pictures and TV programming material.

Transfer Agent(s):

Harris Trust Company of New York
(Preference Stock)
New York, New ork

Gencorp, Inc.
(Common and Preference Stock)
Akron, Ohio

Morgan Guaranty Trust Company of New York
(Common Stock)
New York, New York

Stock Exchange(s): New York, Midwest

Ticker Symbol: GY

Number of Employees:

1985	27,000	1982	32,000
1984	27,800	1981	36,000
1983	34,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 3,020,748	$ 75,213
1984	2,797,708	7,210
1983	2,578,702	65,288
1982	2,417,722	18,606
1981	2,534,037	110,854

	No. of Com Shares ‡	Earn. per Share ‡
1985	21,887,064	$ 3.43
1984	21,882,818	0.32
1983	23,562,546	2.76
1982	25,000,350	0.74
1981	26,017,810	4.25

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business
(000's)

	1985	1984
Tires & related products	$ 1,158,037	$ 1,178,815
Plastics & indust. products	696,441	726,463
Aerospace & defense products	760,417	521,263
Soft drink bottling	192,567	170,983
Entertainment & other	213,286	200,184
Total	$ 3,020,748	$ 2,797,708

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.50	2%	—
1984	1.50	—	—
1983	1.50	2%	—
1982	1.50	2%	—
1981	1.50	2%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 950,516,000	$ 43.43
1984	910,077,000	41.59
1983	938,263,000	39.82
1982	1,012,796,000	40.51
1981	1,030,489,000	39.61

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Income Account
(000's)

Year ended Nov. 30	1985	1984
Net sales	$ 3,020,748	$ 2,797,708
Cost of sales	2,257,652	2,086,929
Expenses	497,340	485,824
Depreciation	98,098	94,138
Interest income	(38,841)	(57,560)
Interest expense	31,862	39,218
Prov. for plant clos.	99,100	110,500
Inc. bef. taxes	$ 75,537	$ 38,659
Income taxes	26,784	7,203
Inc.—cont. oper.	$ 48,753	$ 31,456
Inc. (loss)—discont oper.	26,460	(24,246)
Net Income	$ 75,213	$ 7,210

Assets
(000's)

As of Nov. 30	1985	1984
Cash & short-term securities	$ 253,300	$ 152,249
Accts. & notes receiv., net	463,583	470,555
*Inventories	323,206	323,206
Prepaid expenses	90,361	32,654
Current Assets	$ 1,130,450	$ 949,313
#Fixed assets	709,918	690,515
Investments & other assets	232,441	397,276
Total Assets	$ 2,072,809	$ 2,037,104

Liabilities
(000's)

	1985	1984
Notes payable	$ 47,359	$ 44,346
Long-term debt, curr.	14,802	14,732
Accts. payable	130,829	156,243
Accruals	361,852	296,961
Income taxes	18,301	35,506
Curr. Liabilities	$ 573,143	$ 547,788
Long-term debt	254,670	312,147
Deferred credits	147,120	132,352
Deferred inc. taxes	144,540	131,116
+ Redeem. pref. stock	2,820	3,624
+ + Common stock	6,566	6,440
Add. paid-in capital	236,363	219,846
Retained earnings	714,867	689,315
Cum. curr. trans. adjust	(7,280)	(5,524)
Total Liabilities & Shareholders' Equity	$ 2,072,809	$ 2,037,104

* At lower of cost (Tire & Plastics at LIFO; remainder at FIFO) or market.
# Less accumulated depreciation.
+ $100 par value; cumulative.
+ + $0.30 par value.

Statistical Summary

	1985	1984
%Net Income to Equity	7.91	0.79
Sales to Inventories	9.35	9.52
Debt to Equity	0.33	0.41
Working Capital	$557,307,000	$401,525,000
Current Ratio	1.97	1.73
Shareholders' Equity	$950,516,000	$910,077,000

General Automation, Inc.

1045 S. East Street
P.O. Box 4883
Anaheim, California 92805
(714) 778-4800

Officers: Leonard N. Mackenzie, chairman of the board, president & chief exec. officer; John D. Murray, v.p.-finance & treasurer; Dennis H. Nystrom, secretary; James C. Tung, v.p.-business development; Larry D. Womack, controller; Jordan H. Davis, ass., treasurer & asst. secretary.

Directors: Leonard N. Mackenzie, chairman of the board; John B. Conlan, Jr., Dennis H. Nystrom, John D. Murray, William Lucas.

Areas of Work: Produces mini and microcomputers for industrial and financial automation and commercial data processing.

Transfer Agent(s):

Bank of America
Corporate Agency Division
555 So. Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GENAUTO

Number of Employees:

1985	420	1982	1,428
1984	931	1981	1,866
1983	842		

Plant Footage:

1985	115,000 sq. ft.	1984	257,000

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 52,847,000	$ (8,029,000)
1984	75,510,000	(3,294,000)
1983	65,718,000	(11,359,000)
1982	98,748,000	(4,903,000)
1981	124,891,000	123,000

	No. of Com Shares	Earn. per Share + ‡
1985	2,692,930	$ —
1984	2,685,630	—
1983	2,648,456	—
1982	2,581,820	—
1981	2,581,090	0.05

(Loss)
‡ Including extraordinary credits of $80,000 in 1984, $330,000 in 1983, $400,000 in 1982 and $436,000 in 1981.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ (5,244,000)	$ —
1984	2,786,000	1.04
1983	6,726,000	2.54
1982	17,805,000	6.90
1981	22,690,000	8.79

(Deficiency)

Income Account *

Year ended July 31	1985	1984
Net sales	$ 52,847,000	$ 75,510,000
Cost of sales	37,566,000	52,047,000
Expenses	18,003,000	23,101,000
Interest expense	2,624,000	2,270,000
Other expense	1,170,000	706,000
Prov. for loss on dispos.	833,000	—
Loss before taxes	$ (7,349,000)	$ (2,614,000)
Income taxes	680,000	760,000
Net Loss	$ (8,029,000)	$ (3,374,000)
Extraordinary gain	—	80,000
Net Loss & extraord. gain	$ (8,029,000)	$ (3,294,000)

* Included in Costs and Expenses, Depreciation and Amortization: $1,577,000 in 1985 and $1,979,000 in 1984.

Assets

As of July 31	1985	1984
Cash	$ 1,018,000	$ 1,485,000
Accts. receiv., net	8,207,000	17,116,000
*Inventories	9,002,000	13,075,000
Prepaid expenses	695,000	1,166,000

Current Assets	$ 18,922,000	$ 32,842,000
#Fixed assets	3,289,000	5,922,000
Other assets	792,000	1,249,000
Total Assets	$ 23,003,000	$ 40,013,000

Liabilities

Notes payable & long-term debt, curr.	$ 1,283,000	$ 230,000
Accts. payable	4,494,000	9,085,000
Advance from customers	1,224,000	1,088,000
Accrued payroll	1,124,000	2,093,000
Accruals	4,666,000	3,937,000
Income taxes	1,721,000	2,324,000
Curr. Liabilities	$ 14,512,000	$ 18,757,000
Long-term debt	12,404,000	16,837,000
Deferred income taxes	232,000	117,000
Deferred income	1,099,000	1,516,000
+Common stock	269,000	269,000
Add. paid-in capital	26,693,000	26,657,000
Deficit	(31,235,000)	(23,206,000)
Translation adjustment	(971,000)	(934,000)
Total Liabilities & Shareholders' Equity	$ 23,003,000	$ 40,013,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	5.87	5.78
Working Capital	$ 4,410,000	$14,085,000
Current Ratio	1.30	1.75
Shareholders' Equity (Deficiency)	$(5,244,000)	$ 2,786,000

General Binding Corporation

(55.7% owned by Lane Industries, Inc.)

One GBC Plaza
Northbrook, Illinois 60062
(312) 272-3700

Officers: William N. Lane, III, chairman; Rudolph Grua, president & chief exec. officer; Albert B. Boese, sr. v.p.-international; George M. Durkin, v.p.-domestic marketing; Joseph J. LaPorte, v.p.-corporate relations; Edward J. McNulty, v.p. & chief financial officer; Govi C. Reddy, sr. v.p.-operations; Walter M. Hebb, v.p.-market development; Steven Rubin, secretary & general counsel.

Directors: Rudolph Grua, Victor L. Lewis, Arthur C. Nielsen, Jr., Warren R. Rothwell, Thomas V. Kalebic, William N. Lane, III, Leslie R. Graham, James M. Denny.

Areas of Work: Engaged in the design, manufacture, and distribution of a broad line of business machines and related supplies which bind, laminate and shred printed materials. Also manufactures and distributes photo identification systems, label printing presses and ring elements for looseleaf binders.

Divisions and Subsidiaries:

U.S. RingBinder Corp.
New Bedford, Massachusetts

GBC Deutschland GmbH
Konigsbrunn, West Germany

General Binding Corp. (Australia) Pty. Ltd.
Castle Hill, Australia

GBC (Canada) Inc.
Don Mills, Ontario, Canada

GBC United Kingdom Limited
Camberley, Surrey, England

GBC France S.A.
Aulnay, France

GBC (Nederland) B.V.
Hoofddorp, The Netherlands

General Binding Corp. (Italia) S.p.A.
Tornaco, Italy

GBC Japan K.K.
Noda, Japan

Grupo GBC S.A. de C.V. (Mexico)
Mexico City, Mexico

GBC (Schweiz) A.G.
Wollerau, Switzerland

Webtron Corp.
Fort Lauderdale, Florida

Webtron GmbH
Darmstadt, West Germany

GBC New Zealand Ltd.
New Zealand

U.S. Ringbinder (Singapore) Pte Ltd.
Singapore

Acquisition(s):

Marmo, S.A.
Mexico City, Mexico
Processor and distributor of embossed and coated millboard and paper.

Transfer Agent(s):

Harris Trust and Savings Bank
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GBND (NASDAQ)

Number of Employees:

1985	3,056	1982	2,484
1984	2,833	1981	2,725
1983	2,728		

Plant Footage:

1985	N.A.	1982	730,000
1984	750,000 sq. ft.	1981	730,000
1983	730,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales †	Net Income ‡
1985	$ 174,624,000	$ 3,606,000
1984	163,251,000	6,403,000
1983	145,700,000	236,000
1982	143,081,000	4,110,000
1981	149,620,000	7,524,000

	No. of Com. Shares	Earn. per Share ‡ +
1985	4,903,709	$ 0.74
1984	4,920,696	1.30
1983	4,921,826	0.05
1982	4,919,275	0.83
1981	4,988,576	1.50

† Of continuing operations only.
‡ Including extraordinary gain of $427,000 ($0.08 per share) in 1983.
+ Based on the average number of common shares outstanding.

Revenues By Line of Business

	1985	1984	1983	1982
Business machines	30%	30%	29%	28%
Related supplies & other products	70	70	71	72
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.37	—	—
1984	0.34	—	—
1983	0.32	—	—
1982	0.29	—	—
1981	0.26	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 67,511,000	$ 13.77
1984	64,641,000	13.14
1983	61,478,000	12.49
1982	63,485,000	12.91
1981	63,103,000	12.65

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 174,624	$ 163,251
Cost of sales	97,438	88,222
Expenses	68,129	61,524
Interest expense	3,094	2,710
Other income	(915)	(1,472)
Income before taxes	$ 6,878	$ 12,267
Income taxes	3,272	5,864
Net income	$ 3,606	$ 6,403

* Included in Costs and Expenses, Depreciation and Amortization: $4,447,000 in 1985 and $4,124,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 4,523	$ 4,646
Receiv., net	32,517	30,314
*Inventories	39,076	36,494
Prepaid expenses	5,926	5,955
Assets of discont. oper.	—	451
Current Assets	$ 82,042	$ 77,860
#Fixed assets	35,030	31,257
Other assets	7,019	8,015
Total Assets	$ 124,091	$ 117,132

Liabilities
(000's)

Loans payable	$ 5,279	$ 2,650
Long-term debt, curr.	658	615
Accts. payable	11,254	11,131
Accruals	7,583	7,616
Accrued payroll	5,372	4,385
Income taxes	2,084	4,257
Other taxes	1,626	1,021
Reserve for discont. oper.	249	173
Curr. Liabilities	$ 34,105	$ 31,848
Long-term debt	18,577	17,036
Other liab.	1,164	1,511
Deferred inc. taxes	2,734	2,096
+Common stock	659	657
Add. paid-in capital	5,222	5,125
Retained earnings	69,035	67,244
Cum. trans. adjust.	(3,458)	(4,774)
Treasury stock	(3,947)	(3,611)
Total Liabilities & Shareholders' Equity	$ 124,091	$ 117,132

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.94	7.51
%Net Income to Sales	2.07	3.92
%Net Income to Equity	5.34	9.91
Sales to Inventories	4.47	4.47
Debt to Equity	0.28	0.27
Working Capital	$47,937,000	$46,012,000
Current Ratio	2.41	2.44
Shareholders' Equity	$67,511,000	$64,641,000

General Ceramics, Inc.

(fomerly National Beryllia Corp.)

Greenwood Avenue
Haskell, New Jersey 07420
(201) 839-1600

Officers: Melvin Eisenberg, president & chief executive officer; Mitchell Friedman, v.p.-& gen. mgr.-National Beryllia Division; Krishna V. Agnihotri, v.p. & dir. of technology; Robert J. Sisolak, v.p. & gen. mgr.-Ceramic Systems Div.; Harry S. Axt, secretary, treasurer & chief financial officer; M. Paul Davis, Jr., v.p.-marketing.

Directors: Henry H. Arnhold*, Melvin Eisenberg*, James K. Campbell, Bruce A. MacNaughton*, Stanford S. Warshawsky, Charles J. Lawson*.

* Member of the Executive Committee.

Areas of Work: Engaged in the manufacture and sale of ceramic and metal components used for discrete power transistors and diodes, integrated circuit and hybrid circuit devices, electrical insulation, etc.

Divisions:

Ceramic Systems Division
3422 Tripp Court
San Diego, California 92121
(619) 455-1500

National Beryllia Division
Haskell, N.J. 07420

Tekform Product Division
2770 Coronado Street
Anaheim, California 92806

Transfer Agent(s):

Fidata Securities Management, Inc.
One Executive Drive
Fort Lee, New Jersey 07024

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GCER (NASDAQ)

Number of Employees:

1985	N.A.	1983	N.A.
1984	340	1982	160

N.A.-Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 23,029,985	$ 2,485,453
1984	12,260,480	1,772,356
1983	10,068,935	1,040,485
1982	9,150,758	923,769
1981	8,053,554	731,220

	No. of Com. Shares +	Earn. per Share †
1985	2,692,238	$ 0.87
1984	2,679,580	0.63
1983	2,644,440	0.37
1982	2,843,804	0.315
1981	2,782,364	0.255

+ Adjusted to reflect stock splits.
† Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.05	—	2-for-1
1984	0.04	—	5-for-4
1983	0.02⅔	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 10,573,393	$ 3.93
1984	8,204,382	3.06
1983	6,502,879	2.46
1982	5,972,938	2.10
1981	4,992,921	1.79

† Adjusted to reflect stock splits.

Income Account

Year ended June 30	1985	1984
Net sales	$ 23,029,985	$ 12,260,480
Cost of sales	14,743,705	7,317,163
Expenses	3,077,292	1,894,542
Depreciation	535,759	268,482
Interest expense	67,048	79,567
Interest income	(189,272)	(346,630)
Income before taxes	$ 4,795,453	$ 3,047,356
Income taxes	2,310,000	1,275,356
Net Income	$ 2,485,453	$ 1,772,356

Assets

As of June 30	1985	1984
Cash	$ 846,054	$ 131,830
Marketable securities	2,174,877	2,602,267
Accts. receiv., net	3,824,006	2,947,298
*Inventories	3,222,724	2,619,347
Prepaid expenses & other current assets	380,368	287,138
Current Assets	$ 10,448,029	$ 8,587,880
#Fixed assets	3,216,853	2,956,671
Defer. charges	283,809	497,866
Total Assets	$ 13,948,691	$ 12,042,417

Liabilities

	1985	1984
Long-term debt, curr.	$ 475,000	$ 140,817
Accts. payable	674,221	611,596
Accruals	. 854,911	1,008,589
Inc. taxes pay.	550,556	384,611
Other curr. liab.	123,510	557,444
Curr. Liabilities	$ 2,678,198	$ 2,703,057
Long-term debt	556,000	1,026,878
Deferred inc. taxes	141,100	108,100
+ Common stock	2,692,238	1,339,790
Add. paid-in capital	1,122,316	2,457,040
Retained earnings	6,758,839	4,407,552
Total Liabilities & Shareholders' Equity	$ 13,948,691	$ 12,042,417

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	20.82	24.86
%Net Income to Sales	10.79	14.46
%Net Income to Equity	23.51	21.60
Sales to Inventories	7.15	4.68
Debt to Equity	0.10	0.14
Working Capital	$ 7,769,831	$5,884,823
Current Ratio	3.90	3.18
Shareholders' Equity	$10,573,393	$8,204,382

General DataComm Industries, Inc.

Middlebury, Connecticut 06762
(203) 574-1118

Officers: Charles P. Johnson, chairman of the board; John C.W. Taylor, president-General DataComm, Inc.; Frederick R. Cronin, v.p.-technology; Robert S. Smith, v.p.-corporate planning; William S. Lawrence, v.p.-finance; James R. Arcara, v.p.-corporate operations; Dennis J. Nesler, treasurer; Howard S. Modlin, secretary; Anthony F. Zalenski, sr. v.p.-U.S. sales & service-General DataComm, Inc.

Directors: Charles P. Johnson, chairman; Howard S. Modlin, Frederick R. Cronin, Gerald J. Fischer, Lee M. Paschall, Paul G. Herrington, Jr.

Areas of Work: Designs, produces, markets, installs, and services data communications equipment and networks that transmit data via telephone lines, microwave, satellites, fiber optics and other telecommunications media between computers and terminals or other data processing equipment.

Subsidiaries:

General DataComm, Inc.
DataComm Leasing Corporation
DataComm Service Corporation
General DataComm Ltd.
General DataComm International Corporation
General DataComm Systems, Inc.
DataComm Rental Corporation
General DataComm (U.K.) Limited

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: GDC

Number of Employees:

1985	2,663	1982	1,171
1984	2,029	1981	1,022
1983	1,469		

Sales and Earnings

	Net Sales	Net Income
1985	$ 183,933,000	$ 10,800,000
1984	145,669,000	11,313,000
1983	85,579,000	3,516,000
1982	60,714,000	(1,224,000)
1981	57,598,000	1,843,000

	No. of Com. Shares #	Earn. per Share #
1985	15,289,000	$ 0.71
1984	14,213,000	0.80
1983	13,926,000	0.25
1982	13,388,000	—
1981	12,884,000	0.14

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	2-for-1
1983	—	—	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 81,725,000	$ 5.35
1984	51,139,000	3.60
1983	38,507,000	2.77
1982	34,273,000	2.56
1981	35,126,000	2.73

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 183,933,000	$ 145,669,000
Minority interest	2,642,000	2,257,000
Total revenues	$ 186,575,000	$ 147,926,000
Cost of sales	104,071,000	81,333,000
Expenses	66,126,000	46,654,000
Interest expense	5,914,000	4,734,000
Other income	(1,549,000)	(252,000)
Income before taxes	$ 12,013,000	$ 15,457,000
Income taxes	1,213,000	4,144,000
Net Income	$ 10,800,000	$ 11,313,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,635,000 in 1985 and $4,164,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 1,093,000	$ 647,000
Accts. receiv., net	38,789,000	31,362,000
Investments	—	5,037,000
*Inventories	68,190,000	56,735,000
Prepaid expenses & other assets	7,480,000	5,026,000
Current Assets	$ 115,552,000	$ 98,807,000
Investments & advances	8,663,000	6,021,000
#Fixed assets	51,956,000	37,179,000
Other assets	11,634,000	2,393,000
Total Assets	$ 187,805,000	$ 144,400,000

Liabilities

	1985	1984
Cap. lease oblig., curr.	$ 3,899,000	$ 1,620,000
Accts. payable	10,452,000	13,925,000
Accruals	8,725,000	7,448,000
Inc. taxes payable	962,000	3,970,000
Due to subsidiaries	912,000	—
Mortgage payable	895,000	597,000
Curr. Liabilities	$ 25,845,000	$ 27,560,000
Revolv. credit notes	36,608,000	47,043,000
Cap. lease oblig.	11,249,000	3,059,000
Mortgages payable	19,644,000	3,494,000
Deferred income	7,976,000	9,668,000
Deferred inc. taxes	4,758,000	2,437,000
+ Common stock	1,522,000	1,396,000
Add. paid-in capital	43,585,000	23,921,000
Retained earnings	36,985,000	26,185,000
Treasury stock	(282,000)	(249,000)
Notes receivable	(85,000)	(114,000)
Total Liabilities & Shareholders' Equity	$ 187,805,000	$ 144,400,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.53	10.61
%Net Income to Sales	5.87	7.77
%Net Income to Equity	13.22	22.12
Sales to Inventories	2.70	2.57
Debt to Equity	0.19	0.09
Working Capital	$89,707,000	$71,247,000
Current Ratio	4.47	3.59
Shareholders' Equity	$81,725,000	$51,139,000

General Defense Corporation

3350 Whiteford Road, E-22
York, Pennsylvania 17402
(717) 755-0755

Officers: Henry D. Clarke, Jr., chairman & chief exec. officer; Robert A. Zummo, president & chief operating officer; Donald W. Royston, sr. v.p.; Daniel J. Burchstead, v.p. & treasurer; Wilmot L. Harris, Jr., secretary; George T. Jochum, group v.p.; James A. Wild, v.p. & controller.

Directors: Henry D. Clarke, Jr., chairman of the board; Robert H. Clarke, Ralph R.M. Ehrmann, Anthony J. Fiorelli, Jr., Wilmot L. Harris, Jr., George L. Hogeman, James I. Spiegel, Robert A. Zummo.

Areas of Work: The Precision Components Segment manufactures ordnance ammunition, mechanical time fuzes, and turbine jet engine components. The Electromechanical Systems Segment is engaged in the design and manufacture of prevision positioning pedestals (for radar and communications antennas and optical tracking systems) and automated target and weapons training systems.

Divisions and Subsidiaries:

General Defense Corporation
Washington Office
1215 Jefferson Davis Highway
Arlington, Virginia 22202

Ordnance Division—
3350 Whiteford Road, E-22
York, Pennsylvania 17402

Flinchbaugh Division—
Ammunition
East High Street
Red Lion, Pennsylvania 17356

Hamilton Technology, Inc.
101-121 North Queen Street
Lancaster, Pennsylvania 17604

Flinchbaugh Division—
International Marketing Office
34 Park Street
London, England

A.B.A. Industries, Inc.
Precision Products Division
10260 U.S. Highway 19 North
Pinellas Park, Florida 33565

A.B.A. Industries, Inc.
General Defense Systems Division
6100 118th Avenue North
Largo, Florida 33365

Transfer Agent(s):

Manufacturers Hanover Trust Company
Four New York Plaza
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: GDF

Number of Employees:

1986 2,442

Plant Footage:

1986 . . . . . . 638,500 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1986	$ 241,502,000	$ 11,434,000
1985	168,132,000	14,180,000
1984	121,909,000	12,084,000
1983	77,979,000	9,468,000
1982	70,783,000	7,337,000

	No. of Com. Shares †	Earn. per Share ‡
1986	8,540,516	$ 1.35
1985	7,858,453	1.74
1984	8,329,703	1.45
1983	8,330,439	1.14
1982	7,935,286	0.88

+ Of continuing operations only.
† Adjusted to reflect stock dividends.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1986	1985
Precision components:		
Military ordnance	$ 207,962,000	$ 133,875,000
Industrial & commercial prods.	21,532,000	18,089,000
Electromechanical systems	12,008,000	16,168,000
Total	$ 241,502,000	$ 168,132,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.88	—	—
1985	0.84	—	—
1984	0.66	50% & 5%	—
1983	0.51	5%	—
1982	0.35	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 42,011,000	$ 4.92
1985	27,317,000	3.48
1984	27,961,000	3.36
1983	21,033,000	2.52
1982	15,819,000	1.99

‡ Adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Jan. 31	1986	1985
Net sales	$ 241,502	$ 168,132
Cost of sales	177,826	122,116
Expenses	26,078	15,046
Income from invest.	(3,064)	(802)
Interest expense	23,290	7,401
Minority interest	(61)	132
Income before taxes	$ 17,433	$ 24,239
Income taxes	5,999	10,059
Net Income	$ 11,434	$ 14,180

* Included in Costs and Expenses, Depreciation and Amortization: $10,2[illegible]3,000 in 1986 and $4,068,000 in 1985.

Assets
(000's)

As of Jan. 31	1986	1985
Cash & cash equivalents	$ 23,536	$ 16,469
Marketable securities	56,445	2,822
Accts. receiv., net	56,321	40,102
*Inventories	32,502	21,240
Prepaid inc. taxes	23,283	4,807
Current Assets	$ 192,087	$ 85,440
#Fixed assets	37,955	37,768
Other assets	7,327	5,782
Goodwill	78,295	76,273
Intangibles	17,917	20,229
Total Assets	$ 333,581	$ 225,492

Liabilities
(000's)

	1986	1985
Long-term debt, curr.	$ 1,032	$ 693
Securities margin acct.	30,849	366
Accts. payable	28,316	17,471
Accruals	60,941	28,818
Dividends payable	2,352	2,202
Income taxes	821	2,721
Curr. Liabilities	$ 124,311	$ 52,271
Long-term debt	159,900	132,561
Minority interest	—	7,109
Deferred inc. taxes	7,359	6,234
+ Common stock	1,084	1,016
Add. paid-in capital	58,911	48,799
Retained earnings	14,278	10,360
Treasury stock	(32,262)	(32,858)
Total Liabilities & Shareholders' Equity	$ 333,581	$ 225,492

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.22	14.42
%Net Income to Sales	4.73	8.43
%Net Income to Equity	27.22	51.91
Sales to Inventories	7.43	7.92
Working Capital	$67,776,000	$33,169,000
Current Ratio	1.55	1.63
Shareholders' Equity	$42,011,000	$27,317,000

General Dynamics Corporation

Pierre Laclede Center
St. Louis, Missouri 63105
(314) 889-8200

Officers: Stanley C. Pace, chairman of the board & chief exec. officer; Oliver C. Boileau, president; Richard E. Adams, exec. v.p.-Aerospace; Lester Crown, exec. v.p. & chairman-Material Service Corporation; Standley H. Hoch, exec. v.p.-finance; James R. Mellor, exec. v.p.-corporate planning & business systems; Leonard F. Buchanan, v.p.-engineering & program development; George A. Sawyer, exec. v.p.-land systems & international; James J. Cunnane, v.p. & controller; Otto J. Glasser, v.p.-government relations; Sterling V. Starr, v.p. & general manager-Pomona; Alan M. Lovelace, v.p. & general manager-space systems; Robert H. Duesenberg, v.p. & general counsel; John P. Maguire, v.p. & secretary; Herbert F. Rogers, v.p. & general manager-Fort Worth; Arch H. Rambeau, v.p.-human resources; Melville R. Barlow, v.p. & gen. mgr.-Electronics; Fritz G. Tovar, v.p. & gen. mgr.-Electric Boat; Wayne Wells, v.p. & treasurer; Frederick S. Wood, v.p.-contracts & pricing; Russell W. Moyer, Jr., exec. v.p. & chairman-Cessna Aircraft Company; B. Edward Ewing, v.p.-operations & production engineering; Gary S. Grimes, v.p. & gen. mgr.-Quincy Shipbuilding; John E. McSweeny, v.p. & gen. mgr.-Convair; Robert W. Truxell, v.p. & gen. mgr.-Land Systems.

Directors: Stanley C. Pace, chairman; Richard E. Adams, Thomas G. Ayers, Oliver C. Boileau, Henry Crown, Lester Crown, Milton Falkoff, Standley H. Hoch, Albert E. Jenner, Jr., Earl D. Johnson, Harvey Kapnick, Donald P. Kelly, David S. Lewis, James R. Mellor, Russell W. Moyer, Jr., George A. Sawyer, Elliot H. Stein.

Areas of Work: Engaged in the development of marine systems, ships, aircraft, space boosters, tactical missiles and weapons, data processing equipment and sound systems, computer output microfilm, minerals and building materials.

Divisions:

Convair Division
5001 Kearny Villa Road
San Diego, California 92123
(619) 277-8900

Data Systems Division
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141

Electric Boat Division
75 Eastern Point Road
Groton, Connecticut 06340
(203) 446-5960

Electronics Division
5011 Kearny Villa Road
San Diego, California 92123
(619) 692-6111

Fort Worth Division
General Dynamics Boulevard
Fort Worth, Texas 76108
(817) 732-4811

Pomona Division
1675 West Mission Boulevard
Pomona, California 91766
(714) 629-5111

Space Systems Division
5001 Kearny Villa Road
San Diego, California 92123

Valley Systems Division
11000 East Fourth Street
Rancho Cucamonga, California 91730

Subsidiaries:

DatagraphiX, Inc.
10981 San Diego Mission Road
San Diego, California 92108
(714) 291-9960

Marblehead Lime Company
300 W. Washington Street
Chicago, Illinois 60606
(312) 263-4490

Material Service Corporation
300 W. Washington Street
Chicago, Illinois 60606
(312) 372-3600

Freeman United Coal Mining Company
300 W. Washington Street
Chicago, Illinois 60606
(312) 263-2800

General Dynamics Services Co.
12101 Woodcrest Executive Drive
St. Louis, Missouri 63141

Acquisition(s):

Cessna Aircraft Company
5800 East Pawnee Road
Wichita, Kansas 67218
(316) 685-9111
Manufacture of general aviation aircraft.

Transfer Agent(s):

General Dynamics Corporation
(common & preferred)
Pierre Laclede Center
St. Louis, Missouri 63105

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: GD

Number of Employees (at fiscal year end):

1985	103,300	1982	82,900
1984	92,809	1981	70,700
1983	89,300		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 8,164,000	$ 383,300
1984	7,496,000	381,700
1983	6,980,000	286,600
1982	6,056,000	132,800
1981	4,631,000	124,100

	No. of Com. Shares	Earn. per Share #
1985	42,453,846	$ 9.05
1984	43,206,113	8.08
1983	52,720,817	5.30
1982	54,489,361	2.41
1981	53,612,880	2.25

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Military aircraft	$ 2,114,000	$ 2,016,000
Tactical missiles & gun syst.	1,866,000	1,580,000
Marine	1,645,000	1,528,000
Land systems	1,137,000	1,112,000
General aviation	162,000	—
Material serv. & resources	478,000	471,000
Other	762,000	789,000
Total	$ 8,164,000	$ 7,496,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	1.00	—	—
1983	0.93	—	—
1982	0.72	—	—
1981	0.72	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$1,336,000,000	$ 31.46
1984	1,062,100,000	24.58
1983	1,260,600,000	23.91
1982	1,175,000,000	21.56
1981	1,071,500,000	19.99

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 8,163,800	$ 7,495,800
Cost of sales	6,958,800	6,430,500
Expenses	537,000	452,300
Int. expense (income)	17,200	(3,600)
Other income	(3,600)	(15,400)
Income before taxes	$ 654,400	$ 632,000
Income taxes	281,900	279,100
Inc. - cont. oper.	$ 372,500	$ 352,900
Inc. - discont. oper.	10,800	28,800
Net Income	$ 383,300	$ 381,700

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $22,600,000 in 1985 and $184,900,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 13,400	$ 186,700
Accts. receiv., net	407,200	302,400
Gov't contracts in progress	1,181,900	836,500
*Inventories	529,900	195,300
Prepaid expenses	45,200	26,200
Current Assets	$ 2,177,600	$ 1,547,100
#Fixed assets	1,173,100	863,500
Invest. in unconsol. subsid.	451,100	306,100
Other assets	216,800	67,100
Acq. cost of MI Tank Prog.	178,700	210,500
Intangibles	250,800	—
Total Assets	$ 4,448,100	$ 2,994,300

Liabilities
(000's)

Short-term borrowings	$ 335,400	$ 1,900
Accts. payable	77,100	422,100
Accrued salaries	590,500	190,000
Other accruals	231,200	318,800
Def. income taxes	201,700	36,000
Curr. Liabilities	$ 1,867,200	$ 968,800
Long-term debt	28,200	17,600
Deferred inc. taxes	920,200	816,200
Other liabilities	296,700	129,600
+Common stock	80,100	80,100
Retained earnings	1,981,600	1,644,600
Treasury stock	(725,900)	(662,600)
Total Liabilities & Shareholders' Equity	$ 4,448,100	$ 2,994,300

* At lower of average cost or market. Aviation inventories at LIFO.
# Less accumulated depreciation, depletion and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	28.69	35.94
Sales to Inventories	15.41	38.38
Debt to Equity	0.27	0.02
Working Capital	$ 310,400,000	$ 595,200,000
Current Ratio	1.17	1.61
Shareholders' Equity	$1,335,800,000	$1,062,100,000

General Electric Company

3135 Easton Turnpike
Fairfield, Connecticut 06431
(203) 373-2431

Officers: John F. Welch, Jr., chairman of the board & chief executive officer; Lawrence A. Bossidy, vice chairman of the board and executive officer; Edward E. Hood, Jr., vice chairmen & exec. officer; Charles V. Sheehan, corporate exec. v.p.; David C. Genever-Watling corporate exec. office v.p.; Paul W. Van Orden, corporate exec. office exec. v.p.; Jack O. Peiffer, sr. v.p.-exec. management staff; Walter A. Schlotterbeck, sr. v.p., general counsel & secretary; Dennis D. Dammerman, sr. v.p.-finance; Frank P. Doyle, sr. v.p.-corp. relations staff; Standley H. Hoch, v.p. & treasurer; Thomas R. Casey, v.p. & medical director; James J. Costello, v.p. & comptroller; Dale F. Frey, v.p.-trust investments; Fred W. Garry, v.p.-corporate engrg. & mfg.; Phillips S. Peter, v.p.-corp. government relations; Arthur V. Puccini, v.p.-employee relations; Roland W. Schmitt, sr. v.p.-corp. research & development; Leonard Vickers, v.p.-corp. marketing; Michael A. Carpenter, v.p.-corp. business planning and development; Mark J. D'Arcangelo, v.p.-northeastern regional relations; R. Howard Annin, Jr., v.p.-western regional relations; Joyce Hergenhan v.p.-corporate public relations; Edward J. Skiko, v.p.-corporate information systems; W. Roger Strelow v.p.-corp. environ. programs; William C. Lester, v.p.-east central regional relations; Iver J. Petersen, v.p.-central regional relations; Joseph Handros, v.p. & deputy general counsel.

Directors: Lawrence A. Bossidy, Robert E. Mercer, Frank H.T. Rhodes, Andrew C. Sigler, Edward E. Hood, Jr., John F. Welch, Jr., Walter B. Wriston, James G. Boswell, II, Charles D. Dickey, Jr., Henry L. Hillman, Silas S. Cathcart, Henry H. Henley, Jr., Gertrude G. Michelson, Lewis T. Preston, Richard T. Baker, Lawrence E. Fouraker, Barbara Scott Preiskel.

Divisions and Subsidiaries:

Power Systems Sector
Turbines and turbine-generators, construction and engineering services, power delivery (switchgear, meters) and transformers, nuclear products and services, transportation equipment.

Construction and Engineering Services Group
- Domestic Apparatus and Engineering Services Operations
- SADE/SADELMI Construction Operations

Nuclear Energy Operations
- Nuclear Power Systems Division
- Nuclear Engineering Division
- Nuclear Fuel and Special Projects Division

Turbine Group
- Large Steam Turbine-Generator Division
- Gas Turbine Division
- Industrial and Marine Steam Turbine Division

Transportation Systems Operations
- Locomotive Marketing Division
- Locomotive Products Division

Large Transformer Division
Power Delivery Division
Electric Utility Sales Division

Services and Materials Sector
Plastics, engineered materials

Engineered Materials Group
- Silicone Products Division

Plastics Operations
- Lexan Products Division
- General Electric Plastics B.V.
- Noryl Products Division
- Specialty Plastics Division

Contractor Equipment Operations
- Apparatus Distribution Sales Division

General Electric Credit Corporation (GECC)
General Electric Supply Company Division
Information Services Division/GEISCO
Venture Investments

Technical Systems Sector
Aerospace, medical systems, mobile communications, industrial electronics, advanced microelectronics.

Aerospace Group
- Aircraft Equipment Division
- Electronic Systems Division
- Space Systems Division

Industrial Electronics Group
- Factory Automation Products Division
- Calma Company

Component Products Group
- Component Motor Division
- Electronic Components Division

Medical Systems Operations
- Medical Systems Product Management Division
- Medical Systems Sales and Service Division

Semiconductor Division
Industrial Sales Division
Mobile Communications Division

Consumer Products Sector
Major appliances, lighting products, housewares and audio products, room air conditioners, television receivers, broadcasting and cablevision.

Lighting Group
- Lamp Components Division
- Lamp Products Division
- Lighting Systems Products Division

Major Appliance Group
- Major Appliance Production Division
- Major Appliance Product Management and Marketing Division
- Major Appliance Sales and Service Division
- Major Appliance Strategic Planning and Development Operation

Video Products Division
Housewares and Audio Division

Aircraft Engine Sector
Commercial and military jet engines, naval ship propulsion, industrial power sources.

Aircraft Engine Group
- Military and Small Commercial Engine Operations
- Commercial and Military Transport Engine Operations
- Aircraft Engine Customer Relations

International Sector
Foreign multi-industry affiliates, export and licensing support, marketing support; export sales, single-industry affiliates.

International Trading Operations
Europe and Africa Operations
- Middle East/Africa Business Development Division

Andean Countries Division
Far East Area Division
Canadian General Electric Company Limited (CGE)
General Electric do Brasil S.A.
General Electric de Mexico S.A.
General Electric (USA) China Company, Ltd.

Acquisition(s):

RCA Corporation
30 Rockefeller Plaza
New York, New York 10020
(212) 621-6000

Engages in the manufacture, sale, distribution, lease and servicing of, and research relating to, electronic products, including color and black-and-white television receivers, video cassette recorders and cameras, color television picture tubes, display tubes and monitors, solid-state and electro-optic devices, commercial communications, meteorological and navigational satellites, a variety of electronic equipment for broadcasting and communications, and military and space electronic equipment. Also, through subsidiaries, operates television and radio stations, furnishes domestic satellite communications services, and data communications services, manufactures and markets tufted carpets, and writes and sells life and health insurance.

Transfer Agent(s):

General Electric Company
Securities Transfer Operation
FDR Station
P.O. Box 5339
New York, N.Y. 10150

Stock Exchange(s): New York, Midwest*, Pacific*, Paris, Cincinnati, Philadelphia*, Boston, London

* Unlisted trading privileges.

Ticker Symbol: GE

Number of Employees:

1985	304,000	1982	367,000
1984	N.A.	1981	404,000
1983	340,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 28,285,000	$ 2,336,000
1984	27,947,000	2,280,000
1983	26,797,000	2,024,000
1982	26,500,000	1,817,000
1981	27,240,000	1,652,000

	No. of Com. Shares †	Earn. per Share †
1985	455,381,000	$ 5.13
1984	453,680,000	5.03
1983	454,768,000	4.45
1982	454,078,000	4.00
1981	455,056,000	3.63

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1985	$2.23	—	—
1984	2.05	—	—
1983	1.875	—	2-for-1
1982	1.675	—	—
1981	1.575	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1985	$ 13,904,000	$ 30.53
1984	12,573,000	27.71
1983	11,270,000	24.78
1982	10,198,000	22.46
1981	9,128,000	20.06

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales & services	$ 28,285,000	$ 27,947,000
Cost of sales	19,775,000	19,460,000
Expenses	4,349,000	4,542,000
Other income	(987,000)	(989,000)
Interest expense	360,000	333,000
Depreciation, depletion & amortization	1,226,000	1,100,000
Unusual items	22,000	145,000
Income before taxes	$ 3,540,000	$ 3,356,000
Income taxes	1,192,000	1,065,000
Minority interest	12,000	11,000
Net Income	$ 2,336,000	$ 2,280,000

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 1,606,000	$ 1,859,000
Marketable securities	951,000	514,000
Receiv., net	6,040,000	5,509,000
*Inventories	3,949,000	3,670,000
Current Assets	$ 12,546,000	$ 11,552,000
Funds held for bus. devp.	726,000	814,000
Investments	3,150,000	2,903,000
#Fixed assets	8,328,000	7,690,000
Other assets	1,682,000	1,771,000
Total Assets	$ 26,432,000	$ 24,730,000

Liabilities
(000's)

Notes payable	$ 1,297,000	$ 1,047,000
Accts. payable	2,204,000	1,931,000

General Electric Company

Accruals	2,146,000	2,303,000
Prog. collection	2,257,000	2,403,000
Dividends payable	264,000	250,000
Accrued taxes	751,000	673,000
Curr. Liabilities	$ 8,919,000	$ 8,607,000
Long-term debt	753,000	753,000
Other liabilities	2,728,000	2,668,000
Minority interest	128,000	129,000
+Common stock	579,000	579,000
Add. paid-in capital	641,000	640,000
Retained earnings	12,994,000	11,667,000
Treasury stock	(310,000)	(313,000)
Total Liabilities & Shareholders' Equity	$ 26,432,000	$ 24,730,000

* At LIFO, not in excess of realizable values.
# Less accumulated depreciation.
+ $1.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.52	12.01
%Net Income to Sales	8.26	8.16
%Net Income to Equity	16.80	18.13
Sales to Inventories	7.16	7.61
Debt to Equity	0.15	0.14
Working Capital	$ 3,627,000,000	$ 2,945,000,000
Current Ratio	1.41	1.34
Shareholders' Equity	$13,904,000,000	$12,573,000,000

General Instrument Corporation

Executive Offices:

767 Fifth Avenue
New York, New York 10153-0082

Administrative Offices:

225 Allwood Road
Clifton, New Jersey 07012
(201) 770-3000

Officers: Frank G. Hickey, chairman and chief executive; John A. DeVries, sr. v.p.; Rein Narma, exec. v.p.-corp development; Frederick Shuh, sr. v.p.; George E. Safiol, exec. v.p.-operations; Christopher F. Sutphin, sr. v.p.; Richard M. Hoffman, v.p., general counsel & asst. secretary; Gerard G. Johnson, v.p.-finance & chief financial officer; Cornelius F. Sullivan, v.p. & secretary; Edward R. Kearney, v.p.-investor relations & communications; Stephen A. Davidson, v.p.-personnel & organization; Roger L. Hefferman, v.p.-mfg.

Directors: Martin C. Barell*, John C. Archibald, Harold Rapaport, Thomas L. Kempner*, Moses Shapiro*, R.S. Rosenbloom, R.N. Rosett, A.M. Stone, Frank G. Hickey*, Joe B. Cordell, Jacob E. Goldman.

* Member of the Executive Committee.

Areas of Work: The Company's major business segments are Broadband Communications, Data Systems, Semiconductor Products, and Component Products. Broadband Communications offers a variety of products and services for the cable television industry including active and passive electronics, subscriber terminals and industrial broadband communications. The primary products and services of Data Systems are data processing systems and services for the wagering and retail industries, payment processing equipment and government systems. Semiconductor Products consist of discrete and optoelectronic devices and integrated circuits, including large-scale integrated circuits and systems and hybrid assemblies. Component Products include power supplies, keyboards, relays and lamps.

Divisions and Subsidiaries:

Component Products

Clare Division
Chicago, Illinois (Headquarters)
Guadalajara, Mexico
Taipei, Taiwan
Tongeren, Belgium

Lamp Division
Chicago, Illinois (Headquarters)
Bury St. Edmunds, England
Chesham, England

Computer Products Division
El Paso, Texas (Headquarters)
Juarez, Mexico
Taipei, Taiwan

Broadband Communications

Jerrold Distribution Systems Division
Hatboro, Pennsylvania (Headquarters)
Nogales, Mexico
Tucson, Arizona

Jerrold Subscriber Systems Division
Hatboro, Pennsylvania
Taipei, Taiwan

Jerrold International
Toronto, Ontario, Canada
Slough, England

Tocom Division
Dallas, Texas
Matamoros, Mexico

Data Systems

AmTote Division
Sparks, Maryland

AmTote Systems Division
Hunt Valley, Maryland

Lottery Systems Division
Hunt Valley, Maryland

Energy Management Systems
Hunt Valley, Maryland

Government Systems Division
Hicksville, New York
Westwood, Massachusetts
Fairfield, New Jersey
Norfolk, Virginia

Sytek, Inc. (57% owned)
Mountain View, California

Semiconductor Products

Microelectronics Division
Chandler, Arizona
Kaohsiung, Taiwan

Power Semiconductor Division
Hicksville, New York (Headquarters)
Taipei, Taiwan

Optoelectronics Division
Palo Alto, California (Headquarters)
Kuala Lumpur, Malaysia

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Boston, Midwest, Pacific, Phila-Balt-Wash, Detroit

Ticker Symbol: GRL

Sales and Earnings

	Revenues † (000's)	Net Income (000's)
1986	$ 794,281	$ (66,543)
1985	993,851	(9,600)
1984	836,798	36,030
1983	912,916	102,181
1982	'913,293	90,029

	No. of Com. Shares #	Earn. per Share #
1986	32,105,000	$ —
1985	31,851,000	—
1984	31,065,000	1.16
1983	30,694,000	3.34
1982	29,886,000	3.01

(Loss)
† Of continuing operations only.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1986	1985
Broadband Comm.	$ 276,958	$ 337,576
Data Systems	231,513	203,445
Semiconductor Products	185,080	279,623
Component Products	100,730	113,207
Total	$ 794,281	$ 933,851

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.25	—	—
1985	0.50	—	—
1984	0.50	—	—
1983	0.48	—	—
1982	0.40	—	3-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1986	$ 550,387,999	$ 16.98
1985	615,911,750	19.01
1984	629,267,887	19.97
1983	602,561,287	19.22
1982	509,895,747	16.51

+ Adjusted to reflect stock split.

Income Account *

Year ended Feb. 28	2/28/86	2/28/85
Revenues	$ 794,280,733	$ 993,850,735
Cost of sales & services	695,082,067	768,016,220
Expenses	141,510,257	142,598,782
Write-off of USCI invest.	—	29,142,000
Restruc. costs	53,957,000	—
Gain on sale of invest.	(13,337,000)	—
Invest. income	(10,318,498)	(9,218,089)
Interest income	3,279,234	4,534,217
Loss bef. taxes	$ (75,892,327)	$ (1,222,395)
Tax credit	(29,000,000)	(2,400,000)
Inc. (loss)- cont. oper.	$ (46,892,327)	$ 1,177,605
Loss - discont. oper.	(19,650,612)	(10,777,872)
Net Loss	$ (66,542,939)	$ (9,600,267)

* Included in Costs and Expenses, Depreciation and Amortization: $$85,929,626 in 1986 and $67,205,853 in 1985.

Assets

As of	2/28/86	2/28/85
Cash & temp. invest.	$ 69,736,852	$ 71,712,475
Accts. receiv., net	165,028,038	171,774,005
*Inventories	128,819,800	192,609,138
Deferred inc. taxes	19,403,034	32,629,321
Prepaid expenses	9,739,411	12,156,679
Income taxes	53,357,793	—
Current Assets	$ 446,084,933	$ 480,881,618
Investments, advances & receivables	43,356,367	40,824,830
#Fixed assets	230,649,978	256,911,796
Other assets	5,573,113	7,906,242
Intangibles	38,422,173	42,321,039
Assets held for sale	14,880,543	—
Total Assets	$ 778,967,107	$ 828,845,525

Liabilities

Accounts payable	$ 61,796,873	$ 67,973,577
Long-term debt, cur.	2,244,467	2,627,924
Accruals	101,244,841	87,251,019

Income taxes	—	516,842
Short-term borrowings	2,024,441	7,402,000
Curr. Liabilities	$ 167,310,622	$ 165,771,362
Long-term debt	33,449,961	35,614,298
Deferred income taxes	16,823,492	4,072,301
Other liabilities	10,995,033	7,475,814
+Common stock	32,411,863	32,406,664
Add. paid-in capital	26,026,529	206,540,287
Cum. trans. adjust.	(4,005,313)	(13,626,396)
Emp. notes for stock purch.	(2,850,314)	(2,927,520)
Retained earnings	318,805,234	393,518,715
Total Liabilities & Shareholders' Equity	$ 778,967,107	$ 828,845,525

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Debt to Equity	0.07	0.07
Working Capital	$278,774,311	$315,110,256
Current Ratio	2.67	2.90
Shareholders' Equity	$550,387,999	$615,911,750

General Kinetics Incorporated

12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Officers: Louis R. Schap, president & chief exec. officer; Stanley J. Sarnowski, v.p.-finance & treasurer; Donald B. Keyser, v.p.; Ann K. Pugh, secretary.

Directors: David L. Cohn, Stanley J. Sarnowski, Louis R. Schap, Sven G. Stackig, Stephen P. Goldman, John B. Gunter.

Areas of Work: Manufactures, sells and rents magnetic tape equipment; also manufactures electronic enclosures, sheet metal components, and food testing and processing systems.

Divisions:

GKI Media Division
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Allo Metal Products Division
668 North Sheridan Street
Johnstown, Pennsylvania 15906
(814) 255-6891

DESSA Division
Chesapeake, Virginia

110 Sunray Drive
Johnstown, Pennsylvania 15905
(814) 255-6891

Numerifab Division
11205 Satellite Boulevard
Orlando, Florida 32821

Subsidiaries:

Food Technology Corporation
12300 Parklawn Drive
Rockville, Maryland 20852
(301) 881-2044

Manufactures testing, quality-control and automated processing equipment for the food and related industries.

Transfer Agent(s):

Maryland National Bank
P.O. Box 987
Baltimore, Maryland 21203

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	201	1982	186
1984	162	1981	156
1983	203		

Plant Footage:

1985	100,000 sq. ft.	1982	100,000
1984	100,000	1981	100,000
1983	100,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 10,030,744	$ 955,228
1984	8,004,766	(52,126)
1983	7,091,154	(251,294)
1982	6,748,935	75,839
1981	3,844,314	(4,626)

	No. of Com. Shares	Earn. per Share #‡
1985	869,427	$ 1.13
1984	800,439	—
1983	802,559	—
1982	820,685	0.09
1981	830,241	—

(Loss)
‡ Including extraordinary gain of $155,099 ($0.18 per share) in 1985.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,322,304	$ 2.67
1984	1,351,972	1.68
1983	1,406,227	1.75
1982	1,668,578	2.03
1981	1,611,408	1.94

Income Account *

Year ended May 31	1985	1984
Net sales	$ 10,030,744	$ 8,004,766
Cost of sales	6,897,510	6,692,641
Expenses	1,431,338	1,150,337
Interest expense	117,805	184,896
Other expense	73,927	29,018
Inc. (loss) bef. taxes	$ 1,510,164	$ (52,126)
Income taxes	710,035	—
Net Income (Loss)	$ 800,129	$ (52,126)
Extraordinary gain	155,099	—
Net Income (Loss) & extraord. gain	$ 955,228	$ (52,126)

* Included in Costs and Expenses, Depreciation and Amortization: $246,750 in 1985 and $275,037 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 207,508	$ 77,880
Accts. receiv., trade	1,872,441	1,162,580
*Inventories	1,663,866	1,333,259
Prepaid expenses & other receiv.	36,677	35,786
Current Assets	$ 3,780,492	$ 2,609,505
#Fixed Assets	619,537	696,794
Deposits	101,901	24,032
Cash value of life ins.	66,758	60,144
Total Assets	$ 4,568,688	$ 3,390,475

Liabilities

Notes payable	$ 164,740	$ 591,804
Accts. payable	466,636	379,998
Accruals	95,315	62,328
Accrued payroll	141,136	129,140
Inc. taxes pay.	554,669	—
Accrued vacatons	158,171	139,574
Accrued payroll taxes	69,903	39,467
Deposits on contracts	6,750	5,000
Curr. Liabilities	$ 1,657,320	$ 1,347,311
Notes payable	436,091	583,577
Accrued vacations	88,479	72,786
Other liab.	64,494	34,829
+Common stock	257,561	238,811
Add. paid-in capital	1,181,992	1,181,992
Retained earnings	1,081,609	126,381
Treasury stock	(198,858)	(195,212)
Total Liabilities & Shareholders' Equity	$ 4,568,688	$ 3,390,475

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.06	—
%Net Income to Sales	7.98	—
%Net Income to Equity	34.45	—
Sales to Inventories	6.03	6.00
Debt to Equity	0.26	0.87
Working Capital	$2,123,172	$1,262,194
Current Ratio	2.28	1.94
Shareholders' Equity	$2,322,304	$1,351,972

General Microwave Corporation

5500 New Horizons Boulevard
Amityville, New York 11701
(516) 226-8900

Officers: Sherman A. Rinkel, president; Bernard Grand, v.p.-engineering; Howard Cohen, v.p.-manufacturing; Bernard Smilowitz, v.p.-research & development; Moe Wind, sr. v.p., treasurer & asst. secretary; Michael Stolzar, secretary & asst. treasurer.

Directors: Frederick Zissu, chairman; Allan Bernstein, Winton Charlop, Sherman A. Rinkel, Moe Wind, Edmond D. Franco, Leo C. Cunniff.

Areas of Work: The Company produces and sells microwave measuring and control component devices for use in radar systems and in point-to-point communication as used in aircraft, air traffic control, missiles and telephone and telemetry systems, as well as its own line of precision measuring and testing equipment for use in laboratories and production lines by manufacturers of microwave components and systems.

Division:

Microwave Division
Amityville, New York

Develops and manufactures PIN diode products, RF power measuring equipment, and radiation detectors.

Subsidiaries:

Micro-El Ptent Corporation
Wilmington, Delaware

General Microware Foreign Sales Corporation
Amityville, New York

General Microwave Israel Corporation
Jerusalem, Israel

General Microcircuits Corp.
Billerica, Massachusetts

Development and manufacture of high reliability hybrid circuits and thin-film resistor networks, largely for military applications.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: GMW

Number of Employees:

1985	270	1982	N.A.
1984	210	1981	150
1983	N.A.		

Plant Footage:

1985	60,000 sq. ft.	1982	N.A.
1984	37,000	1981	37,000
1983	N.A.		

N.A.-Not Available.

Sales and Earnings

	Net Sales	Net Income
1986	$ 16,003,097	$ 1,414,757
1985	13,480,960	1,620,832
1984	11,875,928	1,341,098

1983	9,467,795	649,060
1982	8,708,810	474,845

	No. of Com. Shares ‡	Earn. per Share ‡
1986	1,474,980	$ 0.96
1985	1,472,737	1.10
1984	1,318,741	1.02
1983	986,851	0.66
1982	979,480	0.48

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.10	5% & 5%	—
1985	0.10	—	—
1984	0.09	—	—
1983	0.08	—	—
1982	0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 13,453,393	$ 9.12
1985	12,008,744	8.15
1984	10,490,819	7.96
1983	3,479,911	3.52
1982	2,866,608	2.93

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Feb. 28	1986	1985
Net sales	$ 16,003,097	$ 13,480,960
Cost of sales	10,193,764	8,253,745
Expenses	4,080,961	3,284,773
Interest expense	280,945	13,053
Other income	(464,830)	(486,443)
Income before taxes	$ 1,912,257	$ 2,415,832
Income taxes	497,500	795,000
Net Income	$ 1,414,757	$ 1,620,832

* Included in Costs and Expenses, Depreciation and Amortization: $562,227 in 1986 and $326,229 in 1985.

Assets

As of Feb. 28	1986	1985
Cash	$ 633,792	$ 420,174
Short-term investments	33,483	20,739
Accts. receiv., net	5,316,545	3,569,385
*Inventories	4,388,915	3,282,373
Prepaid expenses	133,688	252,160
Refund. inc. taxes	55,280	10,879
Current Assets	$ 10,561,703	$ 7,555,710
#Fixed assets	8,523,554	4,133,414
Other assets	4,426,395	9,913,898
Total Assets	$ 23,511,652	$ 21,603,013

Liabilities

Notes payable	$ 1,521,279	$ 850,000
Long-term debt. curr.	300,000	—
Accts. payable	735,843	915,393
Accruals	795,427	758,121
Income taxes	—	189,824
Dividend payable	—	65,471
Deferred income tax	656,000	779,000
Curr. Liabilities	$ 4,008,549	$ 3,557,809
Long-term debt	5,700,000	6,000,000
Deferred credits	222,710	36,460
Other liab.	27,000	—
Minority interest	100,000	—
+ Capital stock	15,584	13,963
Add. paid-in capital	8,921,360	6,576,328
Retained earnings	4,694,598	5,599,501
Treasury stock	(178,149)	(181,048)
Total Liabilities & Shareholders' Equity	$ 23,511,652	$ 21,603,013

* At cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.95	17.92
%Net Income to Sales	8.84	12.02
%Net Income to Equity	10.52	13.50
Sales to Inventories	3.65	4.11
Debt to Equity	0.56	0.57
Working Capital	$ 6,553,154	$ 3,997,901
Current Ratio	2.63	2.12
Shareholders' Equity	$13,453,393	$12,008,744

General Motors Corporation

3044 West Grand Boulevard
Detroit, Michigan 48202
(313) 556-5000

General Motors Building
767 Fifth Avenue
New York, New York 10153
(212) 486-5000

Officers: Roger B. Smith, chairman of the board & chief executive officer; F. James McDonald, president & chief operating officer; Howard H. Kehrl, vice chairman; Donald J. Atwood, Alexander A. Cunningham, F. Alan Smith, Lloyd E. Reuss, Robert C. Stempel, exec v.p's; v.p.'s & group executives: Edward P. Czapor-Quality & Reliability & Service Parts Operations, Elmer W. Johnson-Operating Staffs Group & general counsel, Charles Katko-Truck & Bus Group, Alex C. Mair-Technical Staffs Group, John D. Debbink-Power Products Group, Robert J. Schultz-Chevrolet-Pontiac-GM of Canada Group, William E. Hoglund-Buick-Oldsmobile-Cadillac Group, W. Blair Thompson-Mechanical Components Group, James F. Waters, Jr.-Overseas Group, John R. Edman-Finance Group, E. Michael Mutchler-Electrical Components Group, Marina V.N. Whitman-Public Affairs Staffs Group & chief economist; v.p.'s: Betsy Ancker-Johnson-environmental activities staff, John F. Beck-international export sales, Ferdinand P.J. Beickler, president-General Motors Europe-Passenger Cars, Charles J. Brady, current engrg. & mfg. services staff, Barton Brown-Asian and African operations; Robert D. Burger-gen. mgr.-Chevrolet Motor Division, David D. Campbell, grp. dir.-operations, Chevrolet, Pontiac, GM of Canada, Charles S. Chapman-managing director-General Motors-Holden's Limited, Patrick J. Colletta-group dir.-Truck & Bus Operations, Donald A. Pais, materials mgmt. staff, Robert A. Dorshimer, grp dir.-Engineering, Buick, Oldsmobile, Cadillac Group, Robert J. Eaton-advanced engineering staff, Robert A. Frosch-research laboratories, John O. Grettenberger-gen. mgr.-Cadillac Motor Car Division, Donald E. Hackworth-gen. mgr.-Buick Motor Division, Eugene L. Hartwig-associate general counsel, Peter K. Hoglund-gen. mgr.-Electro-Motive Division, James D. Johnston-industry-government relations staff, Ludvik F. Koci-gen. mgr.-Detroit Diesel Allison Division, William W. Lane, gen. mgr.-Oldsmobile Div., Richard G. LeFauve, president-Saturn Corporation, J. Michael Losh, gen. mgr.-Pontiac Motor Div., William P. MacKinnon-personnel admin. & development staff, John P. McCormack-Latin American & South African operations, John W. McNulty-public relations staff, Robert T. O'Connell, marketing & product planning staff, Irvin W. Rybicki-design staff, Gary W. Dickinson, grp. dir.-engineering, Chevrolet, Pontiac, GM of Canada Group, George A. Peapples-president & gen. mgr.-General Motors of Canada Limited, John F. Smith, Jr.-exec. v.p.-operations & engineering General Motors Europe-passenger cars, Robert B. Stone-managing dir.-General Motors de Mexico S.A. de C.V., Clifford J. Vaughan, managing dir.-General Motors do Brasil S.A., James G. Vorhes-customer sales & service staff, Alfred S. Warren, Jr.-industrial relations staff, Paul H. Zalecki-associate general counsel; Leon J. Krain-treasurer, John E. Rhame-comptroller, Diane L. Kaye-secretary.

Directors: Anne L. Armstrong, Donald J. Atwood*, Catherine B. Cleary, Alexander A. Cunningham*, James H. Evans, Walter A. Fallon, Charles T. Fisher, III, Marvin L. Goldberger, Robert S. Hatfield, Raymond H. Herzog, John J. Horan, Howard H. Kehrl*, F. James McDonald*, W. Earle McLaughlin, Thomas A. Murphy, Ross Perot, Edmund T. Pratt, Jr., Lloyd E. Reuss*, John G. Smale, F. Alan Smith*, Roger B. Smith*, Robert C. Stempel*, Leon H. Sullivan, Charles H. Townes, Thomas H. Wyman.

* Member of the Executive Committee.

Areas of Work: Engaged primarily in the manufacture, assembly and distribution of motor driven products, most of which relate to transportation equipment, which are classified as automotive, nonautomotive and defense and space.

Electronic and Related Divisions:

AC Spark Plug Division
Flint, Michigan

Spark plugs; oil filters; instrument panels; fuel pumps; fuel filters; air cleaners; emission control systems; cruise control systems.

Delco Electronics Division
Kokomo, Indiana

Automotive electronics; entertainment systems; heater-air conditioning controls; military electronics; semiconductor devices; analog and digital systems; integrated circuits.

Delco Systems Operations
Santa Barbara, California

Military electronics; navigation and control systems and components for aircraft, defense, spacecraft, and commercial vehicles.

Delco Moraine Division
Dayton, Ohio

Automotive brake systems; engine bearings; powdered metal products; automatic transmission components.

Harrison Radiator Division
Lockport, New York

Car and truck radiators, defrosters, heaters, thermostats and air-conditioners; heat exchangers.

Packard Electric Division
Warren, Ohio

Automotive, appliance, marine and farm equipment, wiring systems and components; fiber optics; magnetic wire.

Delco Products Division
Dayton, Ohio

Shock absorbers; windshield wiper systems; energy-absorbing bumper devices; automotive electric motors and actuators; fan clutches; emission control devices; industrial and hermetic motors and generators.

Delco Remy Division
Anderson, Indiana

Starting, generating and ignition systems switches; vacuum controls; batteries for passenger cars, trucks, buses, farm tractors and off-highway equipment.

Electronic Data Systems

Development of computer software that controls automated manufacturing systems; integration and updating of information management and telecommunication systems; military personnel identification and tracking systems.

Fisher Guide Division
Anderson, Indiana

Car, truck and tractor lamps; mirrors; finished die castings; molded plastic parts; lighting controls; stampings.

Rochester Products Division
Rochester, New York

Carburetors; steel tubing; cigarette lighters; locks, keys; emission control divises; diverter valves; fuel injectors; hydraulic and mechanical valve lifters; jet fuel nozzles; cold formed precision parts.

Acquisition(s):

Hughes Aircraft Company

Provides a broad array of advanced electronic components and systems to the automotive, military and space industries. Some of these are weapons control systems, radar systems, commercial and military communications satellites, automated manufacturing and test equipment, weapon delivery systems, large-scale integrated circuits, image sensing, storage and display devices.

Stock Transfer Offices:

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

National Trust Company Limited
21 King Street, East
Toronto, Ontario, M5C 1B3 Canada

National Trust Company Limited
1350 Sherbrooke Street, West
Montreal, Quebec, H3G 1J1 Canada

Stock Exchange(s): New York, Boston, Cincinnati, Midwest, Phila-Balt-Wash, Pacific, Montreal, Toronto, Tokyo.

Ticker Symbol: GM

Number of Employees:

1985**	811,000	1982	657,000
1984	748,000	1981	741,000
1983	691,000		

** Figure excludes Hughes Aircraft subsidiary

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 96,371,700	$ 3,999,000
1984	83,889,900	4,516,500
1983	74,581,600	3,730,200
1982	60,025,600	962,700
1981	62,698,500	333,400

	No. of Com. Shares	Earn. per Share ‡
1985	318,853,315	$ 12.28
1984	317,504,133	14.27
1983	315,711,299	11.84
1982	312,363,657	3.09
1981	304,804,228	1.07

‡ Based on the average number of shares outstanding

Revenues By Line of Business
(000's)

	1985	1984
U.S. operations:		
Automotive prods.	$ 84,377,000	$ 73,053,100
Nonautomotive prods.	2,266,600	2,107,600
Defense	1,575,500	1,322,700
Computer systems	879,400	148,700
Total U.S. oper.	$ 89,098,500	$ 76,632,100
Canadian operations	13,778,300	12,581,600
Overseas operations	12,461,000	11,345,500
Eliminations	(18,966,100)	(16,669,300)
Total	$ 96,371,700	$ 83,889,900

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$5.00	—	—
1984	4.75	—	—
1983	2.80	—	—
1982	2.40	—	—
1981	2.40	—	—

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share
1985	$ 29,274,000	$ 79.13
1984	23,958,700	72.16
1983	20,483,000	64.88
1982	18,003,500	57.64
1981	17,437,500	57.21

‡ After allowing for preferred stock at stated value

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 96,371,700	$ 83,889,900
Cost of sales	81,654,600	70,217,900
Expenses	4,294,200	4,003,000
Depreciation & amortization	6,208,500	4,969,000
Other income	(1,299,200)	(1,713,500)
Interest expense	892,300	909,200
Income bef. taxes	$ 4,621,300	$ 5,504,300
Income taxes	1,630,300	1,805,100
Minority interest	(1,008,000)	(817,300)
Net Income	$ 3,999,000	$ 4,516,500

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 179,100	$ 467,500
Securities & deposits	4,935,300	8,099,900
Accts. & notes receiv., net	7,282,000	7,357,900
*Inventories	8,269,700	7,359,700
Contracts in process	1,453,800	—
Prepaid expenses	2,136,100	428,300
Current Assets	$ 24,256,000	$ 23,713,300
Eq. in assets of nonconsol subsid.	5,718,500	4,603,000
Other invest. & assets	3,069,800	2,344,400
Stock held for incentive	190,200	144,200
#Fixed assets	22,942,100	17,704,300
‡Other assets	1,710,900	1,697,200
Intangibles	5,945,300	1,938,500
Total Assets	$ 63,832,800	$ 52,144,900

Liabilities
(000's)

Accts., drafts and losses payable	$ 7,322,200	$ 4,743,500
Accruals	12,078,000	8,988,200
Loans payable	2,655,200	3,086,000
Inc. taxes payable	243,100	618,900
Curr. Liabilities	$ 22,298,500	$ 17,436,600
Long-term debt	2,500,200	2,417,400
Capitalized leases	367,000	355,500
Other liabilities	7,179,800	5,971,900
Deferred credits	1,962,600	1,749,200
+ Preferred stock	250,700	255,600
+ + Common stock	531,400	529,200
+ + + Class E Common Stock	6,600	2,900
+ + + Class H Common stock	6,600	—
Add. paid-in capital	6,667,800	3,347,800
Retained earnings	22,606,600	20,796,600
For. curr. trans.	(545,000)	(717,800)
Total Liabilities & Shareholders' Equity	$ 63,832,800	$ 52,144,900

* At lower of cost (domestic inventories at LIFO; foreign and GMHE at FIFO) or market

# Less accumulated depreciation

‡ Less accumulated amortization

+ No par value, $100 stated value

+ + $1⅔ par value

+ + + $0.10 par value

Statistical Summary

%Income before Taxes to Sales	4.80	6.56
%Net Income to Sales	4.15	5.38
%Net Income to Equity	13.54	18.65
Sales to Inventories	11.65	11.40
Debt to Equity	0.19	0.24
Working Capital	$ 1,957,500,000	$ 6,276,700,000
Current Ratio	1.09	1.36
Shareholders' Equity	$29,524,700,000	$24,214,300,000

General Signal Corporation

High Ridge Park
Box 10010
Stamford, Connecticut 06904
(203) 357-8800

Officers: David T. Kimball, chairman & chief executive officer; John E. Halter, v.p. & group exec.; Edward C. Prellwitz, v.p.-planning; George J. Demos, Glen E. Ronk, vice chairmen-operations; Edgar J. Smith, Jr., v.p., secretary & general counsel; Theodore J. Wiedemann, v.p.-finance; J. Robert Hipps, v.p. & treasurer; Michael R. Jacqmin, v.p. & controller; Erwin Kantor, v.p.-taxes.

Directors: Nathan R. Owen*, John P. Horgan*, Reginald H. Jones*, Harold J. Hudson, Jr.*, Samuel A. Casey, David T. Kimball*, Ralph E. Bailey, N. Bruce Hannay, George J. Demos, Robert A. Plane, Glenn E. Ronk.

* Member of the Executive Committee

Electronic Controls & Systems

Products include equipment for each major segment of semiconductor manufacture, from crystal growing furnaces, wafer saw and polishers, through deposition and spin-brake equipment, wafer steppers, washer and dicing systems, to testing and packaging equipment. For the telecommunications industry, products include voice, data, digital microwave radio, and fiber optic signal processing and transmission equipment, test and measurement systems, central office power sources, and land-based mobile radio systems. For the process industries, products include computer-directed central control systems, distributed control systems, electronic instrumentation, and electronically controlled feeders and scales. Products for electric utilities include management systems, coal metering equipment, boiler and scrubber controls, and remote-controlled radioactive-waste handling systems. For railroad systems, products include highly engineered systems and controls, including cab, wayside, and centralized traffic control components and systems, and push-button interlocking controls. For bus mass transit, products include central control systems and electronic fareboxes. For civil and defense air traffic control and navigation, included are radar navigation, identification and ground weather monitoring systems. Shipboard communication systems and propulsion controls are provided to the marine industry; power conditioning equipment is produced for numerous markets to safeguard vital or sensitive electronic equipment.

Electrical Controls & Equipment

Products for the construction market include such electrical controls and components for power distribution as transformers and switchgear, fire protection and building signaling systems, electric metering equipment, and automatic time recording and parking lot control systems. For the cogeneration and refining fields, self-contained, unitized powerhouses are manufactured. Hazardous-location power distribution equipment is produced for the petroleum industry, and heat processing equipment is manufactured for the primary and fabricated metals and electronics industries.

Fluid Controls & Equipment

Products include specialty, telemetry, and supervisory control systems., valves and actuators, mechanical mixers, and aerators; centrifugal, turbine, high-vacuum, and wastewater pumps; instruments for measuring pressure, flow, and temperature; biological waste-treatment systems; specialty air pollution control equipment; and corrosion control materials manufactured for the chemical, petrochemical, petroleum, food and beverage, primary and fabricated metals, pulp and paper, industrial and municipal water and waste-water processing, agriculture and construction industries. For the railroad industry, pneumatic and hydraulic braking systems and related controls are manufactured. Such control products as hydraulic gear pumps and directional control valves, piston pumps and motors, hydrostatic transmissions, advanced fluid power systems, and cold-forged components for vehicular steering and suspension are manufactured for the heavy-duty mobile construction, aerospace and defense, mining, materials-handling, agricultural, auto and truck markets.

Divisions and Subsidiaries:

Axel Electronics
Jamaica, New York

Cardion Electronics
Woodbury, New York

Cincinnati Time Recorder
Cincinnati, Ohio

General Railway Signal
Rochester, New York

Henschel
Newburyport, Massachusetts

Edwards
Farmington, Connecticut

Ceilcote Company
Berea, Ohio

O—Z/Gedney
Terryville, Connecticut

Kinney Vacuum
Canton, Massachusetts

DeZurik
Sartell, Minnesota

Marsh Instrument
Skokie, Illinois

Mixing Equipment Company
Rochester, New York

Metal Forge
Columbus, Ohio

GS Electric
Carlisle, Pennsylvania

New York Air Brake
Watertown, New York

Kayex
Rochester, New York

Stock Equipment
Chagrin Falls, Ohio

Advanced Mechanization, Inc.
Horsham, Pennsylvania

Circuits Processing Apparatus
Fremont, California

Leeds & Northrup Instruments
Leeds & Northrup International
Leeds & Northrup Systems
all at:
North Wales, Pennsylvania

Metallurgical Products
Warrendale, Pennsylvania

Micro Automation
Fremont, California

Semiconductor Systems, Inc.
San Jose, California

Arrow Engineering
Tulsa, Oklahoma

Telecommunications Technology, Inc.
Sunnyvale, California

Aurora Pump
North Aurora, Illinois

BIF
West Warwick, Rhode Island

Blu M Electric
Blu Island, Illinois

Hydreco
Kalamazoo, Michigan

Dynapower/Stratopower
Watertown, New York

Anchor Electric
Manchester, New Hampshire

Dowzer Electric
Mt. Vernon, Illinois

Hevi-Duty Electric
Goldsboro, North Carolina

Lindberg
Chicago, Illinois

Nelson Electric
Tulsa, Oklahoma

Sola Electric
Elk Grove Village, Illinois

Warren/Dielectric
Littleton, Massachusetts

Xynetics
Santa Clara, California

Blue M. Electric
Blue Island, Illinois

Micro Automation
Fremont, California

Tau-tron
Westford, Massachusetts

Ultratech Stepper
Santa Clara, California

Acquisition(s):

Karkar Electronics, Inc.

Karkar designs, manufactures, sells, and services microwaves, radios, multiplex equipment, electronic filters, analog-to-digital conversion equipment, high-speed modems, and related electronic equipment for long lines voice and data telecommunications.

Optoscan Corporation
Wafer feature measurement equipment.

Transfer Agent(s):

Marine Midland Bank, N.A.
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: GSX

Number of Employees:

1985	22,312	1982	23,049
1984	24,129	1981	26,621
1983	23,530		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,800,878	$ 49,267
1984	1,786,883	108,510
1983	1,574,948	89,698
1982	1,622,136	107,775
1981	1,702,455	117,132

	No. of Com. Shares #	Earn. per Share #
1985	28,706,000	$ 1.72
1984	28,568,000	3.80
1983	28,414,000	3.16
1982	28,013,000	3.84
1981	27,694,000	4.23

Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electronic controls & systems	$ 867,483	$ 852,468
Electronic controls & equipment	373,739	405,800
Fluid controls & equipment	559,656	528,615
Total	$ 1,800,878	$ 1,786,883

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.80	—	—
1984	1.71	—	—
1983	1.68	—	—
1982	1.60	—	—
1981	1.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 903,989,000	$ 31.49
1984	901,703,000	31.56
1983	845,972,000	29.77
1982	804,075,000	28.70
1981	753,152,000	27.17

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 1,800,878	$ 1,786,883
Cost of sales & exp.	1,278,648	1,240,037
Expenses	372,703	362,562
Interest income	(11,706)	(11,605)
Interest expense	9,044	7,434
Prov. for restructuring	72,000	—
Income before taxes	$ 80,189	$ 188,455
Income taxes	30,922	79,945
Net Income	$ 49,267	$ 108,510

* Included in Costs and Expenses, Depreciation and Amortization: $54,969,000 in 1985 and $47,491,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cert. of deposit	$ 30,333	$ 44,065
Short-term invest.	47,362	101,827
Accts. receiv., net	324,036	313,299
Contracts in progress	62,142	58,502
*Inventories	426,677	434,447
Prepaid expenses	36,446	6,130
Current Assets	$ 926,996	$ 958,270
#Fixed assets	361,495	344,948
Intangibles	153,822	91,519
Other assets	40,919	43,694
Total Assets	$ 1,483,232	$ 1,438,431

Liabilities
(000's)

Short-term borrowing	$ 8,184	$ 14,535
Accts. payable	111,166	120,278
Accruals	203,928	138,266
Income taxes	83,070	113,963
Curr. Liabilities	$ 406,348	$ 387,042
Long-term debt	124,023	96,762
Other liabilities	15,177	20,175
Deferred income taxes	33,695	32,749
+ Common stock	40,436	39,776
Add. paid-in capital	225,391	197,802
Retained earnings	689,436	692,037
Foreign currency translation adj.	(27,657)	(26,373)
Treasury stock	(23,617)	(1,539)
Total Liabilities & Shareholders' Equity	$ 1,483,232	$ 1,438,431

* At lower of cost (LIFO or standard costs that approximate average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.45	10.55
%Net Income to Sales	2.74	6.07
%Net Income to Equity	5.45	12.03
Sales to Inventories	4.22	4.11
Debt to Equity	0.14	0.11
Working Capital	$ 1,333,344	$571,228,000
Current Ratio	2.28	2.48
Shareholders' Equity	$903,989,000	$901,703,000

Genisco Technology Corporation

18435 Susana Road
Rancho Dominguez, California 90221
(213) 537-4750

Officers: Robert B. Phinizy, chairman & chief executive officer; Phillip G. Halamandaris, president & chief operating officer; William R. Esser, v.p. & president-Electronics Division; Richard P. Shively, v.p. & president-Memory Products Division; John S. Lotz, acting corp. controller; John A. Calfas, secretary; David A. Phipps, asst. secretary.

Directors: Martin S. Locke, Robert B. Phinizy, Alan J. Brown, Donn L. Williams, Walter E. Lotz, Jr., Wendell B. Sell, Phillip G. Halamandaris, Robert N. Parker.

Divisions:

Electronics Division
18435 Susana Road
Rancho Dominguez, California 90221
(213) 537-4750

Manufactures Eldema indicator lights, EMI filter products, transducers and rotating test equipment; performs electromagnetic interference testing.

Memory Products Division
10874 Hope Street
Cypress, California 90630
(714) 220-0720

Manufactures cartridge type recorders for use in extreme environments.

Subsidiaries:

Genisco Computers Corporation
3545 Cadillac Avenue
Costa Mesa, California 92626
(714) 556-4916

Manufactures computer graphic display and imaging systems.

Transfer Agent(s):

Security Pacific National Bank
561 South Spring Street
Los Angeles, California 90054

Stock Exchange(s): American

Ticker Symbol: GES

Number of Employees:

1985	446	1982	489
1984	422	1981	451
1983	445		

Plant Footage:

1985	240,000 sq. ft.	1982	224,000
1984	240,000	1981	190,000
1983	240,000		

Sales and Earnings

	Net Sales †	Net Income
1985	$ 36,467,502	$ 139,396
1984	33,900,971	(1,017,198)
1983	30,196,167	1,006,762
1982	29,288,782	1,511,021
1981	23,280,373	1,236,266

	No. of Com. Shares +	Earn. per Share #‡
1985	2,667,391	$ 0.05
1984	2,657,941	—
1983	2,638,969	0.40
1982	1,908,834	0.77
1981	1,895,369	0.63

(Loss)
† Of continuing operations only.
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

		1984
Computer graphic displays	$ 11,703	$ 13,086
Memory products	13,062	9,902
Electronics	11,564	10,595
Other income	139	318
Total	$ 36,468	$ 33,901

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 15,472,601	$ 5.80
1984	15,272,506	5.75
1983	16,311,859	6.18
1982	7,242,917	3.79
1981	5,716,197	3.02

+ Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 36,467,502	$ 33,900,971
Cost of sales	26,791,790	25,872,901
Expenses	9,101,780	10,206,925
Interest expense	562,910	341,776
Minority interest	—	(46,603)
Inc. (loss) bef. taxes	$ 11,022	$ (2,474,028)
Tax credit	(128,374)	(1,456,830)
Net Income (Loss)	$ 139,396	$ (1,107,198)

* Included in Costs and Expenses, Depreciation and Amortization: $1,476,566 in 1985 and $1,002,763 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 852,444	$ 633,009
Short-term invest.	501,875	—
Accts. receiv., net	9,379,410	6,923,334
Income taxes recv.	—	1,444,718
*Inventories	9,305,856	8,151,781
Prepaid expenses	810,648	453,724
Current Assets	$ 20,850,233	$ 17,606,566
#Fixed assets	5,206,037	5,143,472
Marketable securities	200,000	1,201,875
Other assets	2,641,988	272,190
Total Assets	$ 28,898,258	$ 24,224,103

Liabilities

Long-term debt, curr.	$ 972,315	$ 313,381
Accts. payable	2,446,513	1,634,123
Accruals	648,566	658,834
Accrued payroll	1,857,664	1,721,244
Income taxes payable	270,085	—
Curr. Liabilities	$ 6,195,143	$ 4,327,582
Long-term debt	6,796,488	4,253,806
Deferred income taxes	434,026	370,209
+Common stock	1,504,320	1,499,595
Add. paid-in capital	9,675,940	9,647,124
Retained earnings	4,293,299	4,153,903
Currency trans. adj.	(958)	(28,116)
Total Liabilities & Shareholders' Equity	$ 28,898,258	$ 24,224,103

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.03	—
%Net Income to Sales	0.38	—
%Net Income to Equity	0.90	—
Sales to Inventories	3.92	4.16
Debt to Equity	0.50	0.30
Working Capital	$14,655,090	$13,278,984
Current Ratio	3.37	4.07
Shareholders' Equity	$15,472,601	$15,272,506

GenRad, Inc.

300 Baker Avenue
Concord, Massachusetts 01742
(617) 369-4400

Officers: William R. Thurston, pres. & chief exec. officer; Charles E. Peters, Jr., v.p., chief financial officer & treasurer; J. Robert Held, v.p. & gen. mgr.-Massachusetts operations; Constantine J. Lahanas, v.p.-corporate development; Harold T. McAleer, group v.p.-Design Engineering Group; Eric L. Mudama, v.p. & gen. mgr.-Arizona operations; Richard G. Rogers, group v.p.-Electronic Manufacturing Test Group; John L. Steele, Jr., secretary; Robert E. Anderson, v.p.-corporate marketing; Ralph P. Anderson, group v.p.-Semiconductor Test Group; Paul Coughlan, v.p. & gen. mgr.-structural test products; John M. Hurly, gen. counsel & secretary; Vincent L. Carolan, controller; Joseph Z. Rivlin, group v.p.-Sales, Service & Marketing Group; S. Russell Craig, Jr., v.p.-strategic planning.

Directors: Paul Penfield, Jr., Thomas R. Piper, Earle W. Pitt, W. Hardie Shepard, William R. Thurston, Wilson Wilde, James H. Wright, Lawrence L. Mayhew.

Areas of Work: Manufactures test equipment for the electronic equipment, mechanical equipment and semiconductor industries. The company's computer-based test systems, are used by electronics manufacturers to test printed circuit boards and isolate faults down to the individual component level. Electronic component test instruments indicate whether capacitors, resistors, inductors, or integrated circuits are functioning properly. Digital signal processors analyze structures and machinery. Acoustic instrumentation products analyze and measure noise, and are widely used to test compliance with industrial and environmental noise regulations.

Divisions:

Electronic Manufacturing Test Group
Concord, Massachusetts
Boston, Massachusetts
Phoenix, Arizona

Sales, Service and Marketing Group
Concord, Massachusetts

Design Engineering Group
Cheadle, Cheshire, United Kingdom
Fareham, Hants, United Kingdom

Semiconductor Test Group
Milpitas, California

Subsidiaries:

GenRad Ltd.
Toronto, Ontario, Canada

GenRad Ltd.
Maidenhead, Berkshire, United Kingdom

GenRad
Paris, France

GenRad GmbH
Munich, Germany

GenRad SpA
Milan, Italy

GenRad (Schweiz) AG
Zurich, Switzerland

GenRad/Benelux B.V.
Best, Netherlands

Cirrus Computers Ltd.
Fareham, Hampshire, United Kingdom

Cirrus Designs Ltd.
Cheadle, Cheshire, United Kingdom

Joint Venture(s):

Tel-GenRad Ltd.
Nirasaki, Japan

Transfer Agent(s):

Bank of Boston
Stockholder Services Division
Box 1865
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: GEN

Number of Employees:

1985	2,867	1982	2,613
1984	3,404	1981	2,699
1983	3,059		

Plant Footage:

1985 ...... 680,000 sq. ft.

Sales and Earnings

	Net Sales †	Net Income
1985	$ 218,304,000	$ (52,254,000)
1984	249,451,000	10,990,000
1983	226,611,000	19,630,000

1982	188,020,000	8,190,000
1981	169,324,000	(1,772,000)

	No. of Com. Shares +	Earn. per Share +
1985	16,062,000	$ —
1984	16,253,000	0.68
1983	15,758,000	1.25
1982	12,951,000	0.63
1981	11,440,000	—

(Loss)

† Includes service revenues; of continuing operations only.

+ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.10	—	—
1984	0.10	—	—
1983	0.08	—	—
1982	0.07	—	3-for-2
1981	0.05	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 132,414,000	$ 8.22
1984	181,941,000	11.47
1983	170,345,000	10.93
1982	98,948,000	7.37
1981	73,460,000	6.37

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales & service revenues	$ 218,304	$ 249,451
Cost of sales & services	123,640	114,473
Expenses	133,572	125,617
Other expense (income)	686	(1,239)
Interest expense	4,018	2,131
Interest income	(202)	(1,545)
Reorganization expense	13,952	—
Inc. (loss) bef. taxes	$ (57,362)	$ 10,014
Tax credit	(5,108)	(976)
Net Income (Loss)	$ (52,254)	$ 10,990

* Included in Costs and Expenses, Depreciation and Amortization: $16,204,000 in 1985 and $9,153,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash	$ 1,635	$ 2,529
Accts. receiv., net	45,284	81,170
*Inventories	69,050	81,608
Refund inc. tax benefits	1,716	1,340
Other curr. assets	5,343	10,770
Current Assets	$ 123,028	$ 177,417
#Fixed assets	97,266	80,633
Other assets	6,883	7,409
Total Assets	$ 227,177	$ 265,459

Liabilities
(000's)

Notes payable	$ 16,313	$ 10,001
Long-term debt, curr.	3,106	1,768
Accts. payable	8,952	14,002
Accruals	28,413	19,727
Income taxes	1,226	1,052
Curr. Liabilities	$ 58,010	$ 46,550
Long-term debt	30,569	28,963
Deferred inc. taxes	1,096	5,744
Accrued pensions	5,088	2,261
+ Common stock	16,116	15,868
Add. paid-in capital	96,316	93,713
Retained earnings	24,210	78,069
Foreign curr. trans. adj.	(4,228)	(5,709)
Total Liabilities & Shareholders' Equity	$ 227,177	$ 265,459

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.01
%Net Income to Sales	—	4.41
%Net Income to Equity	—	6.04
Sales to Inventories	3.16	2.65
Debt to Equity	0.38	0.22
Working Capital	$ 65,018,000	$130,867,000
Current Ratio	2.12	3.81
Shareholders' Equity	$132,414,000	$181,941,000

George Risk Industries, Inc.

GRI Plaza
Kimball, Nebraska 69145
(308) 235-4645

Officers: George Risk, chairman, chief exec. officer & president; Mary Ann Brothers, v.p.-operations & gen. mgr.; Dan Douglas, v.p.-manufacturing; Ken Risk, treasurer & secretary; Donna Debowey, asst. secretary; Eileen M. Risk, asst. secretary.

Directors: George Risk, chairman; Ken Risk, Jerry Anderson, William Batterton.

Areas of Work: Manufactures high technology computer keyboards for the military and Federal Aviation Administration (FAA), intelligent pay telephones and electronic security products.

Subsidiaries:

Richleu Corporation
GRI Research and Development Laboratories, Inc.
GRI Telemark Corp.

Transfer Agent(s):

George Risk Industries, Inc.
Kimball, Nebraska

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RISKA (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1985	$ 3,125,437	$ 133,525
1984	3,139,217	318,969
1983	2,705,743	123,019

	No. of Com. Shares ‡	Earn. per Share †‡
1985	6,234,888	$ 0.02
1984	6,234,888	0.05
1983	5,527,305	0.02

† Including extraordinary gain of $5,024 in 1984 and extraordinary loss of $78,154 ($0.01 per share) in 1983.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Keyboard products	$ 726,839	$ 1,075,834
Burglar alarm products	1,183,979	968,565
Gas saver products	—	72
Other products	70,371	32,500
Research & development	1,144,248	1,062,246
Total	$ 3,125,437	$ 3,139,217

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1985	$ 1,225,195	$ 0.20
1984	1,100,907	0.18
1983	841,197	0.15

† After allowing for preferred stock at stated value.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Apr. 30	1985	1984
Net sales	$ 1,911,150	$ 2,001,177
Cost of sales	1,121,807	1,322,279
Res. & develop. income	(1,144,248)	(1,062,246)
Expenses	1,925,923	1,610,612
Interest expense	81,700	58,366
Interest income	(314,234)	(332,231)
Other income	(9,287)	(7,106)
Other expenses	55,478	53,224
Income before taxes	$ 194,011	$ 358,279
Income taxes	49,389	40,474
Minority interest	11,097	3,860
Net Income	$ 133,525	$ 313,945
Extraord. gain	—	5,024
Net Income & Extraord. Gain	$ 133,525	$ 318,969

* Included in Costs and Expenses, Depreciation and Amortization: $69,305 in 1985 and $77,811 in 1984.

Assets

As of Apr. 30	1985	1984
Cash	$ 11,237	$ 60,274
Accts. receiv., net	1,101,556	789,773
Factors' reserves	8,776	5,409
Escrow funds	10,000	10,000
*Inventories	293,924	401,107
Prepaid expenses	6,748	2,750
Current Assets	$ 1,432,241	$ 1,269,313
#Fixed assets	212,240	237,267
Other assets	1,032,271	2,205,388
Total Assets	$ 2,676,752	$ 3,711,968

Liabilities

Notes payable	$ 308,420	$ 397,223
Long-term debt, curr.	67,321	45,250
Accts. payable	89,921	359,416
Accruals	104,020	119,198
Curr. Liabilities	$ 669,682	$ 920,087
Long-term debt	294,379	323,326
Minority interest	150,864	64,720
Deferred income	—	1,011,721
+ Preferred stock	257,000	257,000
+ + Common stock:		
Class A	658,238	658,238
Class B	83,910	83,910
Add. paid-in capital	1,430,106	1,439,343
Accum. deficit	(894,499)	(1,028,024)
Treasury stock	(52,560)	(52,560)
Total Liabilities & Shareholders' Equity	$ 2,676,752	$ 3,711,968

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ No par value.

+ + $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.15	17.90
%Net Income to Sales	6.99	15.69

%Net Income to Equity	9.01	23.12
Sales to Inventories	6.50	4.99
Debt to Equity	0.45	0.56
Working Capital	$ 762,559	$ 349,226
Current Ratio	2.14	1.38
Shareholders' Equity	$1,482,195	$1,357,907

Geotel, Inc.

185 Dixon Avenue
Amityville, New York 11701
(516) 842-2300

Officers: Eugene F. Murphy, president; William Wallace, treasurer; Marie Rorke, secretary & asst. treasurer; William J. Waymack, assistant secretary.

Directors: Herman Fialkov, Benjamin V. Wright, Jr., Eugene F. Murphy, Bernard Schniebolk, Charles Seibert, Richard L. Geiger.

Divisions:

Flight Research Division
5210 Charles City Road
Richmond, Viriginia 23231
(804) 222-0163

Manufactures precision photo-instrumentation equipment. The photo-instrumentation products include systems for industrial and banking surveillance, aerial mapping, CRT and radar recordings, time lapse photographic instruments, photo-logging systems, as well as industrial viewers and projectors.

Plasmadyne Division
2601 Walnut Avenue
Tustin,California 92680
(714) 545-7171

Manufactures plasma spray systems for producing thermally bonded coatings of metallic, plastic and ceramic materials; plasma arc lamps; plasma welding equipment.

Telemet Division
185 Dixon Avenue
Amityville, New York 11701
(516) 842-2300

Designs and manufactures equipment and instrumentation used in the communication of video, voice and data signals. Products include wideband equalizers, splitter amplifiers, isolation amplifiers, modulators and routing switchers.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GETE (NASDAQ)

Number of Employees:

1984	85	1981	123
1983	84	1980	115
1982	90		

Plant Footage:

1984	110,000 sq. ft.	1981	110,000
1983	110,000	1980	110,000
1982	110,000		

Sales and Earnings

	Net Sales	Net Income #
1984	$ 6,363,534	$ 236,182
1983	6,223,309	256,014
1982	6,746,736	377,322
1981	7,556,640	567,213
1980	6,926,627	1,157,998

	No. of Com. Shares	Earn. per Share #‡
1984	3,025,176	$ 0.08
1983	3,025,176	0.08
1982	3,017,915	0.13
1981	3,017,915	0.19
1980	3,017,915	0.41

Including extroadinary gain of $647,693 ($0.23 per share) in 1980.

‡ Based on the number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 3,418,675	$ 1.13
1983	3,182,493	1.05
1982	2,922,848	0.97
1981	2,545,526	0.84
1980	1,978,313	0.66

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 6,363,534	$ 6,223,309
Cost of sales	3,908,601	3,875,668
Expenses	2,126,009	1,974,649
Interest expense	—	2,798
Other income	(67,258)	(53,820)
Income before taxes	$ 396,182	$ 424,014
Income taxes	160,000	168,000
Net Income	$ 236,182	$ 256,014

* Included in Costs and Expenses, Depreciation and Amortization: $79,965 in 184 and $118,152 in 1983.

Assets

As of Dec. 31	1984	1983
Cash	$ 1,202,193	$ 980,392
Marketable securities	197,795	—
Accts. receiv., net	858,110	795,858
*Inventories	1,295,832	1,688,496
Prepaid expenses	61,220	50,595
Current Assets	$ 3,615,150	$ 3,515,341
#Fixed assets	244,941	263,235
Other assets	99,527	11,561
Total Assets	$ 3,959,618	$ 3,790,137

Liabilities

Accts. payable	$ 149,715	$ 177,110
Accruals	153,400	155,773
Accrued payroll	108,539	117,729
Income taxes	11,581	11,612
Deferred taxes	20,000	20,000
Customer's deposit	97,708	125,420
Curr. Liabilities	$ 540,943	$ 607,644
+ Common stock	303,244	303,244
Add. paid-in capital	3,478,214	3,478,214
Deficit	(362,783)	(598,965)
Total Liabilities & Shareholders' Equity	$ 3,959,618	$ 3,790,137

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.23	6.81
%Net Income to Sales	3.71	4.11
%Net Income to Equity	6.91	8.04
Sales to Inventories	4.91	3.69
Working Capital	$3,074,207	$2,907,697
Current Ratio	6.68	5.79
Shareholders' Equity	$3,418,675	$3,182,493

Gerber Scientific, Inc.

83 Gerber Road West
South Windsor, Connecticut 06074
(203) 644-1551

P.O. Box 305
Hartford, Connecticut 06141

Officers: H. Joseph Gerber, president; Stanley Leven, sr. v.p., general counsel & secretary; David J. Logan, sr. v.p.-engineering; Robert J. Maerz, sr. v.p.-marketing & operations; George M. Gentile, sr. v.p.-finance & treasurer.

Directors: H. Joseph Gerber, Stanley Leven, Belmont Towbin, Stanley Simon, Roger B. McCormick.

Areas of Work: Specializes in the design, manufacture, sale and service of computer-aided design and computer-aided manufacturing (CAD/CAM) products in computer-controlled drafting and photoplotting, low-cost interactive design, computerized marker making, material cutting and handling, and sophisticated turnkey interactive graphic production systems which integrate several design and manufacturing processes, and microprocessor-controlled production systems. Gerber automation systems are used by a wide range of industries, including aerospace, apparel, automotive, electronics, tool die, printing, graphic arts, and sign-making.

Subsidiaries:

The Gerber Scientific Instrument Company
83 Gerber Road West
South Windsor, Connecticut 06074
(203) 644-1551

Designs and manufactures task-oriented, turnkey interactive systems which are used in high precision drafting and photoplotting. These computer controlled systems are used to automate the production of critical engineering drawings and artwork and other documentation for printed circuit boards and film page layouts for the graphic arts industry.

Gerber Garment Technology, Inc
24 Industrial Park Road
Tollard, Connecticut
(203) 871-8082

Designs and Manufactures CAD/CAM systems for the layout and cutting of flexible materials such as fabrics, textiles, leather, vinyls, plastics, fiberglass and advanced composite materials. The computer aided design (CAD) systems automate sizing and arranging of pattern pieces to maximize material usage. The computer aided manufacturing systems use the data generated by the design systems to cut the materials. The computer controlled material handling system for the apparel industry delivers sequentially fabricated apparel parts between sewing room operators.

Gerber Systems Technology (84% owned)
40 Gerber Road East
South Windsor, Connecticut 06074
(203) 644-2581

Manufactures interactive design and data management systems used in computer-aided design and manufacturing (CAD/CAM) for a wide range of mechanical, electronic and manufacturing applications.

Gerber Scientific-Europe, S.A.
Boulevard du Souverain
100 BTE 2
B-1170 Brussels, Belgium

Gerber Scientific-U.K. Limited
Cumberland House
Greenside Lane
Bradford, West Yorkshire
BD89TQ England

Gerber Scientific GmbH
Oskar-Messter Strasse 15
D-8045 Ismaning
Munich, West Germany

Gerber Scientific Italia S.R.L.
Via San Francisco 22
I-20020 Lainate
Milano, Italy

Gerber Scientific France S.A.R.L.
19, Avenue LeonGambetta
F-92120 Montrouge, France

Gerber Scientific Scandinavia A.B.
P.O. Box 4080
S17104 Solna, Sweden

Gerber Scientific Leasing, Inc.
P.0. Box 305
Hartford, Connecticut 06141

Gerber Scientific Products, Inc.
151 Batsòn Drive
Manchester, Connecticut 06040
(203) 643-1515

Designs and manufactures low cost microprocessor controlled production systems principally for the sign-making and graphics arts industries.

Gerber Scientific, Inc.

Affiliates:

Boston Digital Corporation (21.2% owned)
Holliston, Massachusetts
Manufactures numerically controlled machine tools.

Beta Engineering and Development, Ltd. (37% owned)
P.O. Box 98
Beer Sheeva, Israel
Designs, manufactures and markets CAD/CAM systems for sewing and decorative stitching. Also manufactures intrusion detection systems for industry and government use.

Transfer Agent(s):

The Connecticut Bank and Trust Company, N.A.
Hartford, Connecticut 06115

Stock Exchange(s): New York

Ticker Symbol: GRB

Number of Employees:

1985	1,800	1984	1,750

Plant Footage:

1985	764,000 sq. ft.	1982	500,000
1984	578,000	1981	500,000
1983	543,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 224,158,000	$ 25,059,000
1984	173,593,000	14,677,000
1983	117,247,000	4,517,000
1982	114,756,000	3,373,000
1981	93,105,000	8,524,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	17,292,000	$ 1.45
1984	15,496,000	0.95
1983	14,262,000	0.32
1982	14,117,000	0.24
1981	14,129,000	0.60

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.10	—	3-for-2
1984	0.073	—	3-for-2
1983	0.053	—	—
1982	0.053	—	—
1981	0.049	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 122,440,000	$ 7.08
1984	99,315,000	6.41
1983	42,163,000	2.96
1982	38,456,000	2.72
1981	35,487,000	2.51

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended April 30	1985	1984
Prod. sales	$ 191,547,000	$ 145, 946,000
Service	32,611,000	27,647,000
Total revenues	$ 224,158,000	$ 173,593,000
Cost of sales	105,371,000	87,418,000
Expenses	77,233,000	60,223,000
Interest expense	3,333,000	3,506,000
Other income	(5,486,000)	(2,080,000)
Gain on stock issue	—	(483,000)
Income before taxes	$ 43,707,000	$ 25,009,000
Income taxes	18,800,000	10,600,000
Minority interest	(152,000)	(268,000)
Net Income	$ 25,059,000	$ 14,677,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,010,000 in 1985 and $5,010,000 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 53,321,000	$ 59,384,000
Accts. receiv., net	64,534,000	46,924,000
*Inventories	50,063,000	40,523,000
Prepaid expenses	486,000	472,000
Current Assets	$ 168,404,000	$ 147,303,000
#Fixed assets	34,223,000	24 936,000
Investments	3,753,000	4,454,000
Other assets & intangibles	13,761,000	9,589,000
Total Assets	$ 220,141,000	$ 186,282,000

Liabilities

Notes payable	$ 2,369,000	$ 3,296,000
Long-term debt, curr.	1,439,000	1,065,000
Accts. payable	13,341,000	13,260,000
Accruals	18,621,000	15,657,000
Accrued payroll	6,036,000	5,413,000
Income taxes	16,382,000	14,709,000
Advance payments	3,309,000	4,950,000
Curr. Liabilities	$ 61,497,000	$ 58,350,000
Long-term debt	31,237,000	24,723,000
Deferred inc. taxes	3,882,000	2,629,000
Minority interest	1,085,000	1,265,000
+ Common stock	17,139,000	11,367,000
Add. paid-in capital	40,631,000	45,970,000
Retained earnings	65,890,000	42,539,000
Cumm. trans. adjust.	(1,220,000)	(561,000)
Total Liabilities & Shareholders' Equity	$ 220,141,000	$ 186,282,000

* At lower of average cost (which approximates FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Revenues	19.50	14.41
% Net Income to Revenues	11.18	8.45
% Net Income to Equity	20.47	14.78
Debt to Equity	0.29	0.29
Working Capital	$106,907,000	$88,953,000
Current Ratio	2.74	2.52
Shareholders' Equity	$122,440,000	$99,315,000

Gleason Corporation

(formerly The Gleason Works)

1000 University Avenue
Rochester, New York 14692
(716) 473-1000

Officers: James S. Gleason, president & chairman of the board; Derrell S. Lynch, sr. v.p.-finance & administration; Edward C. Berlinski, treasurer; Morton A. Polster, secretary & corporate counsel; Ralph E. Harper, asst. secretary & asst. corporate counsel; John F. Hasenauer, controller; Richard C. Hellwig, asst. treasurer.

Directors: James S. Gleason, chairman; Julian W. Atwater* Robert W. Bjork, William Balderston, III*, Albert W. Moore, Robert A. Sherman*, Eugene Van Voorhis, Irv H. Dennen, Kenneth G. Gerg, Derrell S. Lynch.

* Member of the Executive Committee.

Areas of Work: Produces a line of precision machines and associated tooling to customer specifications and needs. Provides equipment and technology for the production of bevel gears, Curvic couplings, automated machining and testing systems and other components for mechanical power transmission systems. Also performs contract manufacturing of parts and sub-assemblies, molds, dies and fresnel lenses for a variety of industrial customers.

Divisions:

Alliance Tool Corporation
Rochester, New York

Hackett Precision Company
Nashville, Tennessee

The Gleason Works
Rochester, New York

The Gleason Works, S.A.
Baudour, Belgium

Gleason Works Ltd.
Plymouth, England

Gleason Corporation Sales
Southfield, Michigan

Gleason Stuttgart
Stuttgart, Germany

Gleason Milano
Milan, Italy

Gleason Power Systems Division
Rochester, New York
Baudour, Belgium

Pennsylvania Pressed Metals, Inc.
Emporium, Pennsylvania

Alliance Carolina Tool & Mold Division
Arden, North Carolina

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
Rochester, New York 14603

Stock Exchange(s): New York

Ticker Symbol: GLE

Number of Employees:

1985	3,874	1982	3,986
1984	4,105	1981	4,814
1983	3,879		

Plant Footage:

1985	N.A.	1982	N.A.
1984	2,231,500 sq. ft.	1981	2,264,500
1983	2,231,500		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 228,641,000	$ 782,000
1984	213,869,000	(655,000)
1983	163,509,000	(7,671,000)
1982	178,780,000	(9,299,000)
1981	239,849,000	8,892,000

	No. of Com. Shares	Earn. per Share #
1985	5,693,937	$ 0.14
1984	5,683,800	—
1983	5,683,800	—
1982	5,298,748	—
1981	5,205,415	1.72

(Loss)
+ Of continuing operations only.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.60	—	—
1981	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 92,775,000	$ 16.29
1984	90,105,000	15.85
1983	92,885,000	16.34
1982	96,422,000	18.20
1981	110,970,000	21.32

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 228,641,000	$ 213,869,000
Cost of sales	171,217,000	168,100,000
Expenses	52,411,000	44,157,000
Interest expense	3,268,000	3,291,000
Other income	(1,212,000)	(1,523,000)
Minority interest	559,000	554,000
Inc. (loss) bef. taxes	$ 2,398,000	$ (710,000)
Income taxes	1,616,000	280,000
Inc. (loss) from cont. oper.	$ 782,000	$ (990,000)
Income from discont. oper.	—	335,000
Net Income (Loss)	$ 782,000	$ (655,000)

* Included in Costs and Expenses, Depreciation and Amortization: $13,092,000 in 1985 and $11,338,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,389,000	$ 4,686,000
Accts. receiv., net	54,123,000	51,496,000
*Inventories	32,525,000	32,332,000
Recoverable inc. taxes	—	314,000
Prepaid expenses	6,406,000	3,524,000
Current Assets	$ 95,443,000	$ 92,352,000
#Fixed assets	81,741,000	80,044,000
Other assets & defer. charges	9,072,000	9,947,000
Total Assets	$ 186,256,000	$ 182,343,000

Liabilities

	1985	1984
Notes payable	$ 6,880,000	$ 2,057,000
Long-term debt, curr.	3,063,000	3,219,000
Accts. payable	12,267,000	13,786,000
Deferred revenue	3,151,000	4,744,000
Accrued payroll	10,028,000	9,100,000
Retirement plan	1,912,000	796,000
Income taxes	914,000	1,225,000
Other curr. liab.	4,706,000	3,738,000
Curr. Liabilities	$ 42,921,000	$ 38,665,000
Accrued empl. benefits	2,329,000	2,226,000
Long-term debt	36,666,000	40,672,000
Oblig. to purch. a patent	6,691,000	5,520,000
Minority interest	1,950,000	1,950,000
+ Common stock	2,924,000	3,205,000
Add. paid-in capital	5,699,000	5,684,000
Retained earnings	11,497,000	11,312,000
Currency trans. adjust	83,069,000	82,287,000
Oblig. to deliver comm. stock	(5,540,000)	(7,228,000)
Treasury stock	(1,950,000)	(1,950,000)
Total Liabilities & Shareholders' Equity	$ 186,256,000	$ 182,343,000

* At cost (LIFO) which is less than current market value for parent co. Subsidiaries are at lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.05	—
%Net Income to Sales	0.34	—
%Net Income to Equity	0.84	—
Sales to Inventories	7.03	6.61
Debt to Equity	0.50	0.51
Working Capital	$52,522,000	$53,687,000
Current Ratio	2.22	2.39
Shareholders' Equity	$92,775,000	$90,105,000

The Goodyear Tire & Rubber Company

1144 East Market Street
Akron, Ohio 44316
(216) 794-2121

Officers: Robert E. Mercer, chairman & chief executive officer; Tom H. Barrett, president & chief operating officer; Ib Thomsen, vice-chairman; James R. Glass, Jacques R. Sardas, James A. Bailey, Westi Hansen, Stanley J. Mihelick, F. Vincent Prus, Robert W. Milk, executive v.p.'s; Joseph C. Graden, Carl E. Snyder, William L. Newkirk, Frederick J. Kovac, William R. Miller, Frank R. Tully, Richard A. Davies, Hoyt M. Wells, Robert M. Hehir, Douglas F. Hill, Thomas E. Wightman, George S. Lenox, Earl W. Dahl, Dennis E. Dick, Stanley C. Rose, James W. Barnett, Richard G. Pruett, Jr., v.p.'s; Fredrick S. Myers, v.p., general counsel & secretary; Oren G. Shaffer, v.p. & treasurer; James E. MacDonald, v.p. & comptroller; John Davies, John M. Ross, Patricia A. Kemph, asst. secretaries; Ronald C. Houser, Joseph H. Gilchrist, Robert M. Gossett, H. Jay Elliott, George E. Strickler, asst. comptrollers; Clifford R. Brown, Richard E. Galloway, Robert P. Easton, asst. treasurers.

Directors: Robert H. Platt, Lloyd B. Smith, Edwin D. Dodd, Romulo O'Farrill, Jr., H. Guyford Stever, Jacques R. Sardas, Ib Thomsen, Charles J. Pilliod, Jr., Robert E. Mercer, Gertrude G. Michelson, William C. Turner, James R. Glass, Steven A. Minter, F. Vincent Prus, Tom H. Barrett, Gale L. Galloway.

Areas of Work: The company's electronic activities are conducted by its subsidiary, Goodyear Aerospace Corporation. Products include civil and military aviation landing gear products, weapons systems which utilize miniaturized digital computers, and micro-processors for underseas warfare as well as missile guidance. Also involved in the improvement of existing airborne radar systems and the manufacture of a radar recording device for use in NASA's space shuttle program.

Electronic Subsidiary:

Goodyear Aerospace Corporation
1210 Massillon Road
Akron, Ohio 44306
(216) 796-2121

Transfer Agent(s):

National City Bank
P.O. Box 92301
Cleveland, Ohio 44193

Manufacturers Hanover Trust Company
450 W. 33rd St.
New York, New York 10001

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: GT

Number of Employees:

1985	134,115	1982	131,665
1984	133,271	1981	138,487
1983	128,760		

Sales and Earnings

	Net Sales† (000's)	Net Income + (000's)
1985	$ 9,585,000	$ 412,400
1984	9,628,500	411,000
1983	9,031,600	305,500
1982	8,780,400	329,800
1981	9,267,800	368,400

	No. of Com. Shares	Earn. per Share ‡ +
1985	108,110,085	$ 3.84
1984	106,492,709	3.87
1983	105,425,079	3.06
1982	98,866,612	3.34
1981	97,056,843	3.78

† Of continuing operations only.
+ Including extraordinary credits of $35,100,000 ($0.35 per share) in 1983, $17,200,000 ($0.18 per share) in 1982, $16,400,000 ($0.17 per share) in 1981.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
New tires & tubes	$ 6,190,200	$ 6,237,500
Related transportation products	1,485,400	1,469,600
Industrial rubber, chem. & plast. prod.	1,102,000	1,137,900
Aerospace	707,500	659,200
Gas & oil	36,500	49,100
Other prod. & svcs.	63,500	75,200
Total	$ 9,585,100	$ 9,628,500

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.60	—	—
1984	1.50	—	—
1983	1.40	—	—
1982	1.40	—	—
1981	1.30	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	$ 3,507,400	$ 32.44
1984	3,171,300	29.78
1983	3,016,200	28.61
1982	2,777,200	28.09
1981	2,647,100	27.27

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 9,585,100	$ 9,628,500
Other income	118,200	85,500
Total Income	$ 9,703,300	$ 9,714,000
Cost of sales	7,635,100	7,581,900
Expenses	1,469,600	1,357,700
Interest expense	105,200	117,300
Plant closures	(2,400)	(9,800)
For. curr. trans. loss	32,700	45,800
Minority interest	6,600	6,400
Income before taxes	$ 456,500	$ 614,700
Income taxes	155,200	253,800
Inc.—cont. oper.	$ 301,300	$ 360,900
Inc.—discont. oper.	111,100	50,100
Net Income	$ 412,400	$ 411,000

* Included in Costs and Expenses, Depreciation and Depletion: $300,500,000 in 1985 and $292,300,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 139,000	$ 143,400
Accts. & notes receiv., net	957,400	1,370,100
*Inventories	1,378,500	1,333,400
Prepaid expenses	83,300	53,600
Current Assets	$ 2,558,200	$ 2,900,500
#Fixed assets	4,025,000	3,036,700
Other assets	370,300	257,100
Total Assets	$ 6,953,500	$ 6,194,300

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 35,200	$ 38,800
Accts. payable	657,400	582,500
Accrued payroll	347,400	298,400
Income taxes	232,000	288,900
Short-term debt	116,300	157,400
Other curr. liab.	219,100	192,400

Curr. Liabilities	$ 1,607,400	$ 1,558,400
Long-term debt and capital lease oblig.	997,500	656,800
Other liabilities	301,600	293,900
Minority interest	64,300	65,000
Deferred inc. taxes	475,300	448,900
+ Common stock	94,100	92,500
Add. paid-in capital	655,400	613,600
Retained earnings	3,172,200	2,931,100
Foreign currency trans. adj.	(414,300)	(465,900)
Total Liabilities & Shareholders' Equity	$ 6,953,500	$ 6,194,300

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	11.76	12.96
Sales to Inventories	6.95	6.98
Debt to Equity	0.33	0.27
Working Capital	$ 950,00,000	$ 1,342,400
Current Ratio	1.59	1.86
Shareholders' Equity	$3,507,400,000	$3,171,300,000

Gould Inc.

10 Gould Center
Rolling Meadows, Illinois 60008
(312) 640-4000

Officers: James McDonald, president & chief operating officer; William T. Ylvisaker, chairman of the board & chief executive officer; David Simpson, vice chairman of the board; John A. Blaeser, exec. v.p.-corp. marketing; John E. Jones, exec., v.p.-instrumentation & automation systems; Henry J. Peppers, exec. v.p.-defense systems; Harry A. Caunter, exec. v.p.-operation services; Charles M. Brennan, III, sr. v.p. & chief financial officer; Richard L. Williams, III, sr. v.p.-administration & general counsel; Jess R. Gift, v.p.; Richard D. Kemplin, v.p.-corporate communications; George W. Welsh, v.p.-corporate development; C. David Ferguson, exec. v.p.-materials and components; Michael I. Miller, v.p. & treasurer; Robert M. Penn, group v.p.-semiconductors; Robert J. Aplin, group v.p.-medical products; C. Shelton James, exec. v.p.-information systems; Peter R. Strong, group v.p.-test & measurement; Michael S. Bernath, group v.p.-industrial automation systems; Jerry W. Gaskin, v.p. & controller; Nancy R. Jack, v.p. & secretary.

Directors: William T. Ylvisaker*, chairman; Jordan J. Baruch, Roy D. Chapin, Jr., Daniel J. Donahue*, W. John Driscoll*, Frank L. Hereford, Jr., Keith R. Potter*, Louis H. Roddis, Jr., John P. Schroeder, David Simpson, A.A. Sommer, Jr.; Richard J. Hanschen, Charles M. Brennan, III, H. Chapman Rose, James F. McDonald*, Richard L. Williams, III.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets electronics-based systems, products and components for key high-growth worldwide markets: information systems, industrial automation, instrument systems, defense systems, semiconductors and other electronic components.

Divisions and Subsidiaries:

Electronic Systems:

These products include information systems: 32-bit minicomputer and computer-based image processing and display systems; computer-integrated industrial automation systems: ruggedized industrial computers (including cell and programmable controllers), man-machine interface systems, industrial local-area data communication networks and single and multiple-axis motion control systems.

Imaging & Graphics
San Jose, California
Manufactures a broad line of digital imaging and graphics systems used in medical imaging, publishing, remote sensing, CAD, CAM, and animated graphics.

Motion Control
2701 North Green Bay Road
Racine, Wisconsin 55304
(414) 637-6591
Manufactures and distributes high performance motion control systems.

Industrial Controls Division
Measurement Systems Division

Programmable Control Division
Andover, Massachusetts
Designs and manufactures programmable controllers.

Computer Systems Division
Fort Lauderdale, Florida
(305) 587-2900
Produces digital minicomputers for research, industrial process and control, for generation and distribution of electrical power and for exploration and development of new fuel and energy sources.

Instrument Systems:
These include test and measurement instrumentation: logic analyzers, recording systems and digital storage oscilloscopes; plus medical instrumentation: invasive blood pressure measurement systems and computer-based cardiopulmonary diagnostic systems.

Design & Test Systems Division
Medical Products Division
Recording Systems Division

Electronic Components:

Components and materials for the electronics industry include application-specific MOS/VLSI (metal-oxide silicon/very-large-scale-integration) integrated circuits, gallium-arsenide discrete and integrated circuits, electrolytic copper foil and circuit protection devices.

Micro Power Products Division
Gould AMI
Dexcel Division
Circuit Protection Division

Foil Division
17000 St. Clair Avenue
Cleveland, Ohio 44110
(216) 481-7200

Defense Systems:

Defense systems include undersea weapon systems, anti-submarine warfare surveillance systems, avionics and communication systems, computer based simulation systems and shipboard circuit protection systems.

Advanced Technology Center
Defense Electronics Division
NavCom Systems Division
Ocean Systems Division
Systems & Simulation Division
Systems Protection Division
National Airspace Systems Division

Acquisition(s):

Micro Bond Technologies, Inc.
Producer of interconnect devices and beam tape for tape-automated bonding of semiconductors.

International Cybernetics Corporation
Manufacturer of advanced computerized controls for factory and machine automation.

3DBM Electronics Corporation
Producer of military microwave devices, electronic systems and radio frequency systems.

Transfer Agent(s):

Morgan Guaranty Trust of New York
23 Wall Street
New York, New York 10015

Stock Exchange(s): New York, Midwest

Ticker Symbol: GLD

Number of Employees:

1985	18,605	1982	19,976
1984	19,603	1981	20,561
1983	20,651		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 1,420,100	$ (175,700)
1984	1,399,400	17,800
1983	1,335,400	64,100
1982	1,257,000	92,800
1981	1,139,500	103,500

	No. of Com. Shares	Earn. per Share ‡
1985	44,357,000	$ —
1984	43,639,000	0.40
1983	44,705,000	1.42
1982	43,540,000	2.15
1981	42,691,000	2.33

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electronic systems	$ 498,700	$ 414,900
Electronic prods.	176,700	180,300
Defense systems	400,300	394,700
Electronic components	339,200	405,600
General corp.	5,200	3,900
Total	$ 1,420,100	$ 1,399,400

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.68	—	—
1984	0.68	—	—
1983	1.72	—	—
1982	1.72	—	—
1981	1.72	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 674,000,000	$ 15.19
1984	854,700,000	19.59
1983	885,100,000	19.80
1982	887,300,000‡	20.34
1981	877,600,000‡	20.50

‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net revenues	$ 1,420,100	$ 1,399,400
Cost of sales	857,200	856,900
Expenses	480,900	438,300
Interest expense	15,500	500
Other income	(12,800)	(13,200)
Special charge	159,200	—
Inc. (loss) bef. taxes	$ (79,900)	$ 116,900
Income taxes	20,900	27,600
Inc.-(loss) cont. oper.	$ (100,800)	$ 89,300
Loss - disc. oper.	(74,900)	(71,500)
Net Income (Loss)	$ (175,700)	$ 17,800

* Included in Costs and Expenses, Depreciation: $85,400,000 in 1985 and $74,600,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & marketable secur.	$ 8,600	$ 8,000
Assets of discont. oper.	4,800	33,600
Accts. receiv., net	224,100	213,500
*Inventories	209,200	223,400
Other assets	221,200	135,000
Current Assets	$ 667,900	$ 613,500
Investments & other assets	148,500	261,800
#Fixed assets	444,200	478,100

Assets of discont. oper.	29,200	25,400
Intangibles	97,900	74,300
Total Assets	$ 1,387,700	$ 1,453,100

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 31,400	$ 41,300
Accts. payable	97,800	107,700
Accrued payroll	47,900	46,100
Accruals	83,300	70,400
Income taxes	—	14,700
Curr. Liabilities	$ 260,400	$ 280,200
Long-term debt	351,000	253,200
Deferred inc. taxes	47,300	28,300
Deferred credits	55,000	36,700
+Common stock	187,100	187,100
Add. paid-in capital	254,300	261,000
Retained earnings	323,200	521,500
Treasury stock	(63,500)	(81,300)
Trans. adjust.	(27,100)	(33,600)
Total Liabilities & Shareholders' Equity	$ 1,387,700	$ 1,453,100

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $4 par value.

Statistical Summary

%Net Income to Equity	—	2.08
Sales to Inventories	0.57	6.26
Debt to Equity	6.79	0.34
Working Capital	$407,500,000	$333,300,000
Current Ratio	2.56	2.19
Shareholders' Equity	$674,000,000	$854,700,000

Graphic Scanning Corp.

329 Alfred Avenue
Teaneck, New Jersey 07666
(201) 837-5100

Officers: Barry Yampol, chairman of the board; William S. Wheatley, Jr., president; Jay A. Disler, v.p. & chief financial officer; Alfred K. Ganschow, v.p.-operations; Richard Sherwin, v.p.-marketing; Ronald P. Vicari, v.p.-engineering; Johnathan K. Dodge, v.p., secretary & general counsel.

Directors: Barry Yampol, chairman; Nathan Bellow, Arthur Radin, Stanley Itskowitch, Michael Beckman.

Business Activities: The Company provides specialized data and message processing and record and data communications services; operates radio paging, two-way mobile radio telephone and other related services; and sells communications systems and related devices. Through its 84% owned subsidiary, Switchco, Inc., the Company is engaged in the design, development and manufacture of complex, computer-based, software and hardware controlled communications switching systems.

Subsidiaries:

Graphnet, Inc.
Operates a computer controlled record and data communications network throughout the 48 contiguous states.

Digital Paging Systems, Inc.
GSC Systems Development Corp.
Radio Relay Corp.- Delaware
Spectrum Communications & Electronics Corp.
Switchco, Inc.
Cellular Mobile Services, Inc.
Cellular Mobile Systems, Inc.

Transfer Agent(s):

Bank of New York
90 Washington Street
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: GSCC (NASDAQ)

Number of Employees:

1985	1,602	1982	1,830
1984	N.A.	1981	1,520
1983	2,034		

Plant Footage:

1985	93,000 sq. ft.	1983	108,000
1984	N.A.	1982	75,000

N.A. - Not Available.

Sales and Earnings ‡

	Revenues	Net Income
1985	$ 155,573,000	$ (11,907,000)
1984	124,484,000	(25,285,000)
1983	107,400,000	(20,325,000)
1982	79,759,000	(2,131,000)
1981	53,107,000	9,793,000

	No. of Com. Shares #	Earn. per Share #
1985	35,795,508	$ —
1984	34,018,637	—
1983	33,968,384	—
1982	33,775,736	—
1981	28,494,710	0.35

(Loss)
‡ Restated to reflect change in accounting method to comply with FASB Statement No. 71 concerning the effects of certain types of regulation.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	2-for-1
1983	—	—	—
1982	—	—	5-for-2
1981	—	—	3-for-2

Common Stock Equity ‡

	Total Equity	Equity Per Share #
1985	$ 46,151,535	$ 1.29
1984	42,718,021	1.26
1983	66,894,302	1.97
1982	85,731,524	2.54

‡ Restated.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended June 30	1985	1984 ‡
Net sales & services	$ 121,916,034	$ 117,846,720
Sale of mobile comm. interests	29,326,525	—
Other income	4,330,640	6,637,225
Total Income	$ 155,573,199	$ 124,483,945
Cost of sales	64,004,588	53,924,190
Expenses	57,948,555	58,644,511
Depreciation & amortization	21,660,678	19,871,077
Interest expense	13,593,595	13,727,965
Res. & develop.	3,580,202	1,967,279
Eq. in cell. partner losses	4,600,858	496,300
Prov. for FCC settle.	3,000,000	—
Loss before taxes	$ (12,815,277)	$ (24,147,377)
Income taxes (credit)	(908,000)	1,138,000
Net Loss	$ (11,907,277)	$ (25,285,377)

‡ Restated.

Assets

As of June 30	1985	1984 ‡
Cash	$ 4,389,540	$ 16,271,771
Comm. paper	7,997,349	14,040,577
Accts. receiv., net	17,981,923	15,776,452
Receiv. from sales of mobile comm.	13,210,303	—
*Inventories	7,509,672	8,254,312
Taxes	4,059,871	3,879,884
Notes receiv.	—	4,825,000
Other current assets	1,883,596	1,794,086
Current Assets	57,032,254	64,842,082
#Fixed assets	74,176,033	84,596,809
Other assets	75,144,423	69,673,073
Total Assets	$ 206,352,710	$ 219,111,964

Liabilities

Bank borrowings	$ —	$ 20,000,000
Notes payable	11,040,000	3,000,000
Long-term debt, curr. outstanding	7,477,005	13,800,321
Accts. payable and accruals	23,361,831	20,573,576
Income taxes	1,365,871	273,059
Curr. Liabilities	$ 43,244,707	$ 57,646,956
Long-term debt	110,316,399	111,904,723
Deferred inc. taxes	269,328	1,344,328
Other liabilities	2,990,087	2,013,731
Minority interest	3,380,654	3,484,205
+Common stock	370,958	352,790
Add. paid-in capital	87,190,072	72,725,029
Deficit	(41,409,495)	(29,502,218)
Treasury stock	—	(857,580)
Total Liabilities & Shareholders' Equity	$ 206,352,710	$ 219,111,964

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulatec depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Working Capital	$13,787,547	$ 7,195,126
Current Ratio	1.32	1.12
Shareholders' Equity	$46,151,535	$42,718,021

Grumman Corporation

1111 Stewart Avenue
Bethpage, New York 11714
(516) 575-0574

Officers: John C. Bierwirth, chairman of the board; George M. Skurla, president; Robert G. Freese, sr. v.p.-finance & treasurer; George L. Brown, v.p.; Nat P. Busi, v.p. & controller; John J. Carroll, v.p.-community affairs; Howard J. Dunn, Jr., v.p.-audit; Thomas L. Genovese, v.p. & general counsel; Weyman B. Jones, v.p.-public affairs; Rolf J. Larson, exec. v.p.-Grumman International; Ronald B. Peterson, president-Allied Division; Robert W. Bradshaw, v.p. & secretary; Daniel F. Huebner, sr. v.p.-marketing & development; Robert J. Myers, sr. v.p.-corporate services; Richard A. Schueing, v.p.-corporate research center; George E. Kinnear, v.p.-Washington Operations; Edward B. Jacobs, William R. Parmentier, Jr., William Wachino, Jr., asst. treasurers; John E. Galligan, Evelyn Capelluto, asst. secretaries.

Directors: John C. Bierwirth*, chairman; Kenneth S. Axelson, Ellis L. Phillips, Jr.*, George M. Skurla*, Archie E. Albright, Robert G. Freese, Lucy W. Benson*, John T. Sargent, Orville L. Freeman*, Edward W. Brooke, Dan F. Huebner, Renso L. Caporale, Victor Haoli, John O'Brien, Michael Polehach.

* Member of the Executive Committee.

Areas of Work: Manufactures military aircraft, spacecraft, commercial aircraft components and subassemblies, boat and truck bodies, fire apparatus and buses. Also provides services in the field of computer programming.

Divisions:

Aircraft Systems Division
Aerostructures Division
Allied Division
Data Systems Division
Electronics Systems Division
Melbourn Systems Division
St. Augustine Division
Space Systems Division
Technical Services Division
Vehicle And Marine Division

Grumman Corporation

Subsidiaries:

Grumman Credit Corporation
Grumman Foreign Sales Corporation
Grumman International, Inc.
Grumman Ohio Corporation
Paumanock Development Corporation
Paumanock Insurance Company Ltd.

Transfer Agent(s):

The Bank of New York
90 Washington Street
New York, New York 10015

Stock Exchange(s): New York, Midwest, Pacific, Phila-Balt-Wash., Boston.

Ticker Symbol: GQ

Number of Employees:

1985	32,177	1982	27,300
1984	30,866	1981	28,600
1983	28,800		

Sales and Earnings

	Net Sales *	Net Income
1985	$3,098,865,000	$ 81,535,000
1984	2,603,639,000	108,418,000
1983	2,254,778,000	110,746,000
1982	2,056,673,000	32,600,000
1981	1,788,075,000	20,486,000

	No. of Com. Shares +	Earn. per Share #
1985	29,146,887	$ 2.65
1984	28,616,065	3.62
1983	28,146,531	3.82
1982	23,551,122	1.17
1981	20,756,970	0.73

* Including other income; of continuing operations only.
+ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Aircraft and space	$ 2,820,565	$ 2,350,753
Special vehicles	291,905	235,022
Services and other	181,663	185,993
Intersegment elim.	(195,268)	(168,129)
Total	$ 3,098,865	$ 2,603,639

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	0.925	—	—
1983	0.85	—	2-for-1
1982	0.725	—	—
1981	0.70	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 603,354,000	$ 20.70
1984	543,611,000	19.00
1983	452,402,000	16.07
1982	315,381,000	13.39
1981	265,327,000	12.78

‡ After allowing for preferred stock at stated value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,048,520	$ 2,557,807
Other income	50,345	45,832
Total income	$ 3,098,865	$ 2,603,639
Cost of sales	2,780,660	2,256,309
Expenses	159,757	152,680
Interest expenses	29,413	15,732
Income before taxes	$ 129,035	$ 178,918
Income taxes	47,500	70,500
Net Income	$ 81,535	$ 108,418

* Included in Costs and Expenses, Depreciation and Amortization: $60,231,000 in 1985 and $44,653,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 19,812	$ 29,021
Cert. of deposit	82,905	245,773
Accts. receiv., net	377,763	271,403
*Inventories	550,463	447,000
Prepaid expenses	11,296	10,105
Current Assets	$ 1,042,239	$ 1,003,302
Contracts receiv.	61,809	44,604
#Fixed assets	411,836	308,892
Other assets & defer. charges	69,889	88,407
Total Assets	$ 1,585,773	$ 1,445,205

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 21,478	$ 12,324
Accts. payable	152,442	106,079
Accruals	68,661	61,660
Def. inc. taxes	165,519	171,147
Prog. payments & * customer deposits	53,179	17,525
Other liabilities	94,556	77,580
Curr. Liabilities	$ 555,835	$ 446,315
Long-term debt	263,393	236,913
Def. inc. taxes	103,720	157,335
Other liab.	14,496	15,925
+ Preferred stock:		
Redeemable	44,870	44,995
Non-redeemable	105	111
+ Common stock	200,826	188,810
Retained earnings	402,528	354,801
Total Liabilities & Shareholders' Equity	$ 1,585,773	$ 1,445,205

* At lower of cost (average, FIFO and LIFO) or realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	4.23	6.99
%Net Income to Sales	2.67	4.24
%Net Income to Equity	13.51	19.94
Sales to Inventories	5.54	5.72
Debt to Equity	0.47	0.46
Working Capital	$486,404,000	$556,987,000
Current Ratio	1.88	2.25
Shareholders' Equity	$603,459,000	$543,722,000

GTE Corporation

One Stamford Forum
Stamford, Connecticut 06904
(203) 965-2000

Officers: Theodore F. Brophy, chairman & chief exec. officer; James L. Broadhead, sr. v.p. & president-GTE Communication Services; Edward C. Schmults, sr. v.p. & gen. counsel; Allan L. Rayfield, sr v.p. & president-Diversified Products and Services; Charles R. Lee, sr. v.p.-finance; Allan N. Stewart, v.p.-marketing; C. Edward C. MacEwen, v.p.-corporate communications; James L. Johnson, sr. v.p. & president-GTE Telephone Operating Group; Bruce Carswell, sr. v.p.-human resources; Robert J. Gressens, president-GTE International; Samuel F. Shawhan, v.p.-government affairs; Claude A. Burleson, v.p.-taxes; Stephen E. Frank, v.p. & treasurer; Dorick V Mauro, v.p. & controller; Donald A. Mitchell, v.p.-planning & development; D. Otis Wolkins, v.p.-quality services.

Directors: Marvin A. Asnes, James R. Barker, Theodore F. Brophy, Maurice F. Granville*, T. Justin Moore, Jr., Sandra O. Moose, S. Bruce Smart, Jr., Gordon T. Wallis*, Richard W. Jones*, John H. Page, James W. Walter*, James L. Broadhead, Allen L. Rayfield, James L. Johnson.

* Member of the Executive Committee.

Areas of Work: GTE has three core businesses: telecommunications, lighting products and precision materials. In telecommunications, the corporation provides local telphone service in portions of 31 states, two Canadian provinces and the Dominican Republic. Long-distance telephone service is offered through GTE Sprint and worldwide data communications through GTE Telenet. Telecommunications systems and services and Sylvania lighting products and precision materials are marketed in the United States and 40 other countries.

Divisions:

GTE Telephone Operating Group
Stamford, Connecticut

Telephone Companies
Provides local telephone service to communities in 31 states, British Columbia, Quebec, and the Dominican Republic.

GTE Directories
Des Plaines, Illinois
Sells Yellow Pages advertising and publishes telephone directories.

GTE Mobilnet
Houston, Texas
Provides cellular mobile radio telephone service.

GTE Diversified Products and Services Group
Stamford, Connecticut

GTE Consumer Communications Products
Stamford, Connecticut
Markets residential and small office products such as single-line telephones, data equipment, work stations and peripherals.

GTE Communications Systems
Phoenix, Arizona
Supplies lines of communications equipment, systems and support services, including digital switching and PABX systems; transmission equipment; and residential and business telephone products.

Government Systems Group
Waltham, Massachusetts
Reconnaissance systems; command, control and communications systems; tactical telephone switching networks; laser and electro-optical devices, lithium battery power systems, and satellite earth stations.

GTE Communications Services Group
Stamford, Connecticut

GTE Sprint
Burlingame, California
Operates third largest long-distance telephone system in the United States. Sprint also provides service to Australia, the United Kingdom, Guam, Puerto Rico, the U.S. Virgin Islands, Taiwan, Barbados, and major regions of Canada.

GTE Spacenet
McLean, Virginia
Operates a nationwide satellite communications system.

GTE Telenet
Vienna, Virginia
Operates nationwide data communications network utilizing "packet-switching"; also provides Telemail® service and markets medical and financial information services.

GTE Lighting Products
Danvers, Massachusetts
Manufactures more than 6,000 types of Sylvania lamps. Also produces lighting products, lamp fixtures and related products.

GTE Precision Materials
Danvers, Massachusetts

Manufactures metal, plastic and ceramic materials, parts and components; specialty and refractory metals; high-purity chemicals and electronic and electrical assemblies.

Transfer Agent(s):

GTE Shareholder Services Incorporated
P.O. Box 37
North Quincy, Massachusetts 02171

GTE Shareholder Services Incorporated
50 Broadway
New York, New York 10004

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Bank of America National Trust and Savings Association
P.O. Box 37000
San Francisco, California 94137

State Street Bank and Trust Company
P.O. Box 5003
Boston, Massachusetts 02107

Stock Exchange(s): New York, Midwest, Pacific, London, Amsterdam, Basel, Geneva, Lausanne, Zurich

Ticker Symbol: GTE

Number of Employees:

1984	N.A.	1981	196,000
1983	185,000	1980	194,000
1982	190,000		

N.A. - Not Available.

Sales and Earnings
(000's)

	Revenues & Sales ‡	Net Income
1984	$ 14,547,344	$ 1,125,118
1983	12,943,918	955,604
1982	11,766,658	835,626
1981	10,710,397	722,004
1980	9,679,824	479,525

	No. of Com. Shares #	Earn. per Share #
1984	196,566,000	$ 5.55
1983	185,400,000	5.00
1982	171,404,000	4.70
1981	159,946,000	4.32
1980	151,805,000	2.95

‡ Of continuing operations only.
# Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	$3.04	—	—
1983	2.96	—	—
1982	2.88	—	—
1981	2.78	—	—
1980	2.72	—	—

Common Stock Equity

	Total Equity + (000's)	Equity Per Share
1984	$ 7,374,000	$ 36.10
1983	6,461,000	33.89
1982	5,688,000	31.51
1981	4,939,000	29.81
1980	4,408,000	28.46

+ After allowing for no par preferred stock at $25 per share and $50 par value preferred stock at par.

Income Account *
(000's)

Year ended Dec. 31	1984	1983
Revenues and Sales:		
Telephone oper.	$ 9,065,204	$ 8,369,260
Other oper.	5,482,140	4,574,658
Total Income	$ 14,547,344	$ 12,943,918
Costs & expenses:		
Telephone oper.	6,461,098	6,094,788
Other oper.	5,329,441	4,361,024
Interest expense	795,795	815,033
Bus. restruc. exp.	61,600	—
Minority interests	34,205	42,770
Preferred dividends of subsid.	60,696	64,798
Other income	(1,044)	(25,253)
Income before taxes	$ 1,805,553	$ 1,590,758
Income taxes	725,726	612,776
Inc. - cont. oper.	$ 1,079,827	$ 977,982
Loss - discont. oper.	—	(22,378)
Cum. effect. of change in accounting	45,291	—
Net Income	$ 1,125,118	$ 955,604

* Included in Costs and Expenses, Depreciation: $1,940,796,000 in 1984 and $1,767,017,000 in 1983.

Assets
(000's)

As of Dec. 31	1984	1983
Cash & temp. invest.	$ 521,435	$ 155,545
Receiv., net	2,061,114	2,009,559
*Inventories	1,340,334	1,076,674
Other assets	341,335	309,547
Current Assets	$ 4,264,218	$ 3,551,325
#Fixed assets	21,068,767	19,708,457
Investments & other assets	1,031,245	963,074
Total Assets	$ 26,364,230	$ 24,222,856

Liabilities
(000's)

Short-term oblig.	$ 719,435	$ 843,348
Accts. payable	1,495,258	1,173,422
Accrued taxes	540,572	494,944
Advance billings	217,619	207,590
Accrued interest	248,018	223,450
Other curr. liab.	1,134,375	753,351
Curr. Liabilities	$ 4,355,277	$ 3,696,105
Long-term debt	8,599,275	8,800,378
Reserves & deferred credits	4,463,127	3,800,350
+ Mand. redempt. pref. stock	648,570	695,195
No par preferred stock	224,457	100,000
+ Preferred stock	21,245	23,807
+ + Common stock	680,791	635,491
Add. paid-in capital	3,126,175	2,695,084
For. curr. trans. adjust.	(222,893)	(165,718)
Retained earnings	3,789,599	3,295,918
Minority interest in eq. of subsid.	678,607	646,246
Total Liabilities & Shareholders' Equity	$ 26,364,230	$ 24,222,856

* At lower of cost (FIFO or average) or market; certain non-regulated domestic inventories at LIFO.
# Less accumulated depreciation.
+ $50 par value.
+ + $3.33⅓ par value.

GTI Corporation

10060 Willow Creek Road
San Diego, California 92131
(619) 578-3111

Officers: James K. La Fleur, chairman of the board, president & chief exec. officer; John C. Brittain, v.p.-international operations; Remo A. Ionni, v.p.-marketing & gen. mgr.; Ronald Lust, v.p.-finance & secretary-treasurer; Richard C. Roessler, corp. controller.

Directors: James K. La Fleur, chairman; Andre R. Horn, William S. Ivans, Alvin H. Wineman, Jr., Ronald Lust, John C. Brittain.

Areas of Work: Engaged in the manufacture of parts, components and processing equipment primarily for the electronic, automotive, computer, appliance and electrical markets. Principal products: an automotive electronic interference filter, 3-D, interactive, color computer graphics, precision cut, formed and welded metal and glass components, production process and component handling and feeding systems and both die stamped and etched flexible circuit boards.

Divisions:

Circuits Division
P.O. Box 217
Leesburg, Indiana 46538
(219) 453-3261

Manufactures die stamped printed circuits with its major markets being the automotive industry.

Electronics Division
R.D. 2, P.O. Box 2096
Hadley, Pennsylvania 16130
(412) 253-3161

Produces a line of two and three piece welded leads and filaments, straight cut lead and rolled pins, intricate metal forms, headed and formed leads, semiconductor leads, wire welds, welded cap and assemblies and lamp leads.

Computer Graphics Division
10060 Willow Creek Road
San Diego, California 92131
(619) 578-7885

Designs and produces state-of-the-art, real-time, interactive 3-D, color shaded Computer Image Generators that are positioned to provide low-cost, high-quality visuals for the military, aerospace trainer and simulator markets.

GTI - Ireland, Ltd.
Industrial Estates
Abbeyfeale
County Limerick
Republic of Ireland

Transfer Agent(s):

Mellon Bank, N.A.
Pittsburgh, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: GTI

Number of Employees:

1985	N.A.	1982	293
1984	N.A.	1981	365
1983	405		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 19,393,000	$ (679,000)
1984	25,685,000	410,000
1983	17,096,000	19,000
1982	18,851,000	201,000
1981	18,716,000	891,000

	No. of Com Shares	Earn. per Shares †
1985	3,486,727	$ —
1984	3,500,867	0.12
1983	3,499,867	0.01
1982	3,062,937	0.07
1981	3,037,837	0.40

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Metal, glass & electronic components	$ 12,217,000	$ 16,794,000
Circuit boards	6,135,000	6,249,000
Component processing equipment	1,041,000	2,642,000
Total	$ 19,393,000	$ 25,685,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.09	—	—
1981	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 10,341,000	$ 2.97
1984	10,571,000	3.02
1983	10,356,000	2.96
1982	8,592,000	2.81
1981	8,617,000	2.84

Income Account *

Year ended Dec. 31	1985	1984
Net revenues	$ 19,393,000	$ 25,685,000
Cost of revenues	16,002,000	19,446,000
Expenses	4,412,000	5,267,000
Other expense (income)	(6,000)	21,000
Interest expense	361,000	402,000
Interest income	(295,000)	(283,000)
Inc. (loss) bef. taxes	$ (1,081,000)	$ 832,000
Income taxes (credit)	(402,000)	422,000
Net Income (Loss)	$ (679,000)	$ 410,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,249,000 in 1985 and $1,145,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 268,000	$ 696,000
Receiv., net	2,453,000	3,238,000
Due from Rep. of Ireland	84,000	432,000
Income taxes receiv.	490,000	—
*Inventories	2,521,000	3,159,000
Prepaid expenses	186,000	151,000
Deferred inc. taxes	496,000	429,000
Current Assets	$ 6,498,000	$ 8,105,000
Long-term market. secur.	1,700,000	1,700,000
#Fixed assets	5,743,000	5,314,000
Def. inc. taxes	—	12,000
Def. product costs	516,000	120,000
Patents and license rights	1,552,000	1,746,000
Total Assets	$ 16,009,000	$ 16,997,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 148,000	$ 236,000
Accts. payable	979,000	2,076,000
Accruals	823,000	1,601,000
Accrued inc. taxes	160,000	456,000
Curr. Liabilities	$ 2,110,000	$ 4,369,000
Long-term debt	2,930,000	1,706,000
Deferred inc. taxes	168,000	—
Other liabilities	460,000	351,000
+Common stock	140,000	140,000
Add. paid-in capital	8,993,000	8,993,000
Retained earnings	1,097,000	1,776,000
Treasury stock	(85,000)	—
Cum. trans. adj.	196,000	(338,000)
Total Liabilities & Shareholders' Equity	$ 16,009,000	$ 16,997,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.04 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.24
%Net Income to Sales	—	1.60
%Net Income to Equity	—	3.88
Sales to Inventories	7.69	8.13
Debt to Equity	0.04	0.18
Working Capital	$ 4,388,000	$ 3,736,000
Current Ratio	3.08	1.86
Shareholders' Equity	$10,341,000	$10,571,000

HADCO Corporation

10 Manor Parkway
Salem, New Hampshire 03079
(603) 898-8000

Officers: Horace H. Irvine, II, chairman & chief exec. officer; Maurice E. Needham, Jr., vice chairman; Jon F. Kropper, president & chief operating officer; Norman W. Kneissler, v.p.-finance & administration & chief financial officer; Joseph H. Johnson, Donald J. Pucci, Joseph R. Schaefer, Dana R. Schofield, vice presidents; Andrew E. Lietz, v.p.-sales; Richard W. O'Keefe, treasurer; Rodney P. DeRego, controller; Leslie J. McKaba, asst. treasurer; James C. Hamilton, clerk.

Directors: Horace H. Irvine, II, chairman of the board; Maurice E. Needham, Jr., vice chairman of the board; Jon F. Kropper, Dr David F. Hawkins, J. Stanley Hill, John O. Irvine, Guy N. Jolliff, Norman W. Kneissler, Harvey P. Newquist.

Areas of Work: Manufactures multilayer and dense two-sided printed circuits which it markets to the computer, telecommunications, and other electronic industry segments.

Divisions:

Sales & Marketing
Salem, New Hampshire

Backplane Division
Salem, New Hampshire

Derry Division
Derry, New Hampshire

Owego Division
Owego, New York

Tech Center One
Salem, New Hampshire

Tech Center Two
Watsonville, California

Subsidiaries:

Circuit Image Industries, Inc.
Hudson, New Hampshire

Qualitron Corporation
Danbury, Connecticut

HADCO Electronics (HK) Limited
Hong Kong

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDCO (NASDAQ)

Number of Employees:

1985	1,215	1984	2,126

Plant Footage:

1985 ...... 310,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 91,593,000	$ 342,000
1984	126,961,000	7,506,000
1983	72,903,000	3,131,000
1982	62,964,000	2,286,000
1981	58,550,000	2,947,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	11,056,808	$ 0.03
1984	10,948,695	0.69
1983	9,115,367	0.34
1982	8,884,716	0.26
1981	8,758,136	0.34

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1985	$ 41,631,000	$ 3.77
1984	40,318,000	3.68
1983	19,950,000	2.19
1982	15,293,000	1.72
1981	12,874,000	1.47

† After allowing for preferred stock at liquidation value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	10/26/85	10/27/84
Net sales	$ 91,593	$ 126,961
Cost of sales	85,748	103,819
Expenses	17,277	15,000
Interest income	(470)	(823)
Interest expense	3,064	1,565
Income (loss) before taxes	$ (14,026)	$ 7,400
Income taxes (credit)	(7,243)	2,411
Income (loss) from cont. oper.	$ (6,783)	$ 4,989
Income from discont. oper.	7,125	2,517
Net Income	$ 342	$ 7,506

* Included in Costs and Expenses, Depreciation and Amortization: $8,869,000 in 1985 and $5,305,000 in 1984.

Assets
(000's)

As of	10/26/85	10/27/84
Cash & short-term invest. invest.	$ 1,383	$ 3,216
Accts. receiv., net	10,172	18,889
Note receivable	13,872	—
Refundable taxes	6,405	—
*Inventories	7,245	12,644
Prepaid expenses	132	901
Current Assets	$ 39,209	$ 35,650
#Fixed assets	42,627	46,089
Other assets	6,059	5,568
Total Assets	$ 87,895	$ 87,307

Liabilities
(000's)

	10/26/85	10/27/84
Notes payable	$ —	$ 1,020
Long-term debt & cap. lease oblig., curr.	9,342	3,235
Accts. payable	7,580	12,267
Accrued payroll	1,423	3,523
Other accruals	1,897	2,201
Income taxes	20	618
Deferred inc. taxes	2,818	—
Curr. Liabilities	$ 23,080	$ 22,864
Long-term debt & cap. lease oblig.	22,492	22,669
Deferred inc. taxes	690	1,454
+ Preferred stock	2	2
+ + Common stock	450	439

Add. paid-in capital		16,765		15,810
Retained earnings		24,445		24,169
Note receivable for stock issued		(29)		(100)
Total Liabilities & Shareholders' Equity	$	87,895	$	87,307

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value; $0.10 dividend, noncumulative.
+ + $0.05 par value.

Statistical Summary

%Net Income to Equity	0.82	18.62
Sales to Inventories	12.64	10.04
Debt to Equity	0.76	0.67
Working Capital	$16,129,000	$12,786,000
Current Ratio	1.70	1.56
Shareholders' Equity	$41,633,000	$40,320,000

Halliburton Company

2600 Southland Center
400 N. Olive, L.B. 263
Dallas, Texas 75201
(214) 748-7261

Officers: Thomas H. Cruikshank, president & chief exec. officer; B.G. Taylor, exec. v.p.-oil field services; Jack W. Miller, sr. v.p.-finance; Stephen T. DeLaMater, v.p.-gov't. relations; James G. Nuland, v.p.-investor relations; Lester I. Coleman, v.p.-corporate development; C. Robert Fielder, treasurer; Robert M. Kennedy, secretary; Kenneth V. Jenkins, controller.

Directors: Anne L. Armstrong, Alex E. Barron, Thomas H. Cruikshank*, James W. Glanville, Guy T. McBride, Jr., B.G. Taylor*, E.L. Williamson, Lord Polwarth, Edwin L. Cox, T. Louis Austin, Jr.*

* Member of the Executive Committee.

Divisions and Subsidiaries:

Oil Field Services and Products

Halliburton Services Division
P.O. Drawer 1431
Duncan, Oklahoma 73536
Oil field services and products.

Otis Engineering Corporation
P.O. Box 819052
Dallas, Texas 75381
Specialized equipment and services for the completion, production and control of oil and gas wells.

Freight Master Division
P.O. Box 40555
Fort Worth, Texas 76140
Hydraulic cushioning devices and maintenance services for the railroad industry.

Welex Division
P.O. Box 42800
Houston, Texas 77242
Electric well logging and jet perforating services for the petroleum industry.

IMCO Services Division
P.O. Box 721110
Houston, Texas 77272
Supplier of oil well drilling fluids and related chemical products and services.

Halliburton Resource Management Division
P.O. Box 1411
Dallas, Texas 75221
Renting equipment for compression, gas processing and production.

Halliburton International, Inc.
P.O. Box 721110
Houston, Texas 77272

Jet Research Center, Inc.
P.O. Box 246
Arlington, Texas 76010
Explosive products and services for petroleum, marine and defense/aerospace industries.

Industrial Engineering/Construction Services

Brown & Root, Inc.
P.O. Box 3
Houston, Texas 77001
Engineering and construction services.

Brown & Root U.S.A., Inc.
P.O. Box 3
Houston, Texas 77001

Brown & Root International, Inc.
P.O. Box 3
Houston, Texas 77001

NUS Corporation
910 Clopper Road
Gaithersburg, Maryland 20878
Engineering and environmental consulting services for industry, utilities and government.

Mid-Valley, Inc.
P.O. Box 2634
Houston, Texas 77001
Provides engineering, construction and project management services nationwide.

Taylor International Inc.
4100 Clinton Drive
Houston, Texas 77020
International undersea engineering, construction and salvage operations.

Brown & Root Development, Inc.
P.O. Box 1051
Houston, Texas 77251
Provides engineering and project management through contracts with the U.S. government and with commercial firms utilizing government funds.

Insurance Services

Highlands Insurance Company
600 Jefferson Street
Houston, Texas 77002
Casualty, property, surety, and marine insurance.

Life Insurance Company of the Southwest
P.O. Box 47421
Dallas, Texas 75247
Life, health and accident insurance.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Central Trust Company
P.O. Box 38
1 First Canadian Place
Toronto, Ontario, Canada M5X 1G4

RepublicBank Dallas, N.A.
Pacific at Ervay
Dallas, Texas 75201

Stock Exchange(s): New York, London, Toronto, Zurich, Geneva, Basel, Lausanne.

Ticker Symbol: HAL

Number of Employees:

1985	65,000	1982	83,748
1984	68,000	1981	109,268
1983	73,165		

Plant Footage:

1985 . . . . . . 4,000,000 sq. ft.

Sales and Earnings

		Net Revenues (000's)		Net Income † (000's)
1985	$	4,778,695	$	(339,276)
1984		5,445,719		329,595
1983		5,522,178		275,815
1982		7,257,291		496,845
1981		8,508,133		674,268

	No. of Com. Share ‡	Earn per Share ‡†
1985	108,647,000	$ —
1984	114,855,000	2.87
1983	118,250,000	2.33
1982	118,068,000	4.21
1981	117,839,000	5.72

(Loss)
† Including extraordinary losses of $368,012,000 ($2.85 per share) in 1985, $39,023,000 ($0.33 per share) in 1983 and $14,803,000 ($0.13 per share) in 1982.
‡ Based on the average number of shares outstanding.

Revenues By Line of Business

		1985 (000's)		1984 (000's)
Oil field services and products	$	2,925,074	$	3,176,339
Industrial engineering/ construction services		1,311,357		1,574,292
Marine engineering/ construction services		542,264		695,088
Total	$	4,778,695	$	5,445,719

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.80	—	—
1984	1.80	—	—
1983	1.65	—	—
1982	1.60	—	—
1981	1.30	—	—

Common Stock Equity

		Total Equity (000's)	Equity Per Share
1985	$	2,857,854	$ 26.30
1984		3,384,191	31.19
1983		3,571,527	30.18
1982		3,482,085	29.49
1981		3,167,117	26.88

Income Account *
(000's)

Year ended Dec. 31		1985		1984
Net revenues	$	4,778,695	$	5,445,719
Cost of sales		4,483,107		4,720,221
Expenses		206,515		227,608
Interest expense		105,876		138,047
Interest income		(114,731)		(133,652)
Other income		(16,805)		(37,066)
Income before taxes	$	114,733	$	530,561
Income taxes		113,834		240,004
Income of unconsol. cos.		(36,152)		(41,585)
Minority interest		8,315		2,547
Net Income	$	28,736	$	329,595
Extraord. loss		(368,012)		—
Net Income & extraord. loss	$	(339,276)	$	329,595

* Included in Costs and Expenses. Depreciation: $342,768,000 in 1985 and $368,605,000 in 1984.

Assets
(000's)

As of Dec. 31		1985		1984
Cash	$	516,309	$	297,625
Short-term securities		106,423		749,004
Accts. & notes receiv., net		1,009,725		1,198,733
Uncompleted contracts		63,281		89,130
Refundable income taxes		234,004		—
*Inventories		473,540		496,543
Current Assets	$	2,403,282	$	2,831,035
Equity in & adv. to related comp.		424,417		408,677

Advances & receiv. from joint ventures	144,366	147,780
#Fixed assets	1,571,780	1,860,669
Other assets	118,118	104,141
Total Assets	$ 4,661,963	$ 5,352,302

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 168,974	$ 181,668
Accts. payable	264,571	295,390
Advance billings	83,915	157,074
Income taxes	152,873	153,397
Employee benefit fund	39,118	52,724
Other liab.	435,343	415,970
Curr. Liabilities	$ 1,144,794	$ 1,256,223
Long-term debt	447,652	480,155
Minority interest	14,203	18,236
Deferred inc. taxes	197,460	213,497
+Common stock	297,172	296,721
Add. paid-in capital	121,447	112,604
Retained earnings	2,764,705	3,299,542
Treasury stock	(325,470)	(324,676)
Total Liabilities & Shareholders' Equity	$ 4,661,963	$ 5,352,302

* At cost which is not in excess of market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Revenues	2.40	9.14
%Net Income to Revenues	0.60	6.05
%Net Income to Equity	1.01	9.74
Debt to Equity	0.22	0.20
Working Capital	$1,258,488,000	$1,574,812,000
Current Ratio	2.10	2.25
Shareholders' Equity	$2,857,854,000	$3,384,191,000

Hamilton Digital Controls, Inc.

2118 Beechgrove Place
Utica, New York 13501
(315) 797-2370

Officers: Edward Zacaroli, chairman of the board; Robert I. Trachtenberg, president & chief exec. officer; Ralph M. Risley, treasurer, v.p.-finance & asst. secretary; David Malkin, secretary.

Directors: Edward Zacaroli, Eugene J. Hickey, Harold Julian, Charles Gaetano, David Malkin.

Areas of Work: Engaged in the design and manufacture of magnetic recording heads for use by original equipment manufacturers of computer systems and peripheral equipment.

Transfer Agent(s):

Marine Midland Bank-New York
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDIG (NASDAQ)

Number of Employees:

1985	212	1982	363
1984	166	1981	380
1983	253		

Plant Footage:

1985	49,000 sq. ft.	1982	49,000
1984	49,000	1981	49,000
1983	49,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 5,225,436	$ (631,316)
1984	4,507,173	(1,764,792)
1983	7,559,223	(504,170)
1982	9,143,381	(188,225)
1981	8,320,257	(105,046)

	No. of Com. Shares #	Earn. per Share #
1985	1,353,727	$ —
1984	1,350,552	—
1983	1,350,552	—
1982	1,350,552	—
1981	1,351,800	—

(Loss)
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 425	$ 0.03
1984	395,550	0.29
1983	2,160,342	1.60
1982	2,664,512	1.97
1981	2,852,737	2.11

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Income Account *

Year ended April 30	1985	1984
Net sales	$ 5,225,436	$ 4,507,173
Cost of sales	4,442,311	4,791,093
Expenses	1,041,607	1,130,943
Provision (recovery) of doubt. accts.	7,682	(19,832)
Interest expense	540,769	380,489
Interest income	(3,775)	(3,080)
Life insurance	(166,841)	—
Loss before taxes	$ (636,317)	$ (1,772,440)
Tax credit	(5,001)	(7,648)
Net Loss	$ (631,316)	$ (1,764,792)

* Included in Costs and Expenses, Depreciation and Amortization: $268,018 in 1985 and $286,350 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 18,393	$ 96,141
Market investments	22,862	—
Receiv., net	609,759	491,895
*Inventories	1,811,656	1,975,619
Prepaid expenses	70,796	65,861
Def. inc. tax charges	20,449	20,449
Current Assets	$ 2,553,915	$ 2,649,965
#Fixed assets	2,410,839	2,566,441
Intangibles	2,356	3,100
Other assets	73,498	95,245
Total Assets	$ 5,040,608	$ 5,314,751

Liabilities

Notes payable	$ 826,491	$ 1,638,504
Long-term debt, curr.	204,638	421,891
Accounts payable	628,736	558,695
Accruals	280,959	209,764
Curr. Liabilities	$ 1,940,824	$ 2,828,854
Long-term debt	3,009,621	1,994,858
Deferred inc. tax credits	89,738	95,489
+Common stock	41,737	33,764
Add. paid-in capital	2,319,465	2,091,247
Retained earnings (deficit)	(2,360,777)	(1,729,461)
Total Liabilities & Shareholders' Equity	$ 5,040,608	$ 5,314,751

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.02½ par value.

Harrel, Incorporated

16 Fitch Street
East Norwalk, Connecticut 06855
(203) 866-2573

Officers: Holton E. Harris, president; Trygve O. Ager, vice president-engineering; Will B. Rodemann, v.p.-marketing; Joshua M. Schwartz, v.p.-Digital Engineering; Hamilton B. Griffin, v.p.-manufacturing; J. Turner Jones, secretary.

Directors: J. Turner Jones, Will B. Rodemann, Holton E. Harris.

Areas of Work: Manufactures precision electronic controls and instrumentation; and computer control systems, primarily for industrial uses such as plastics machinery, packaging machines, test equipment, and environmental chambers.

Transfer Agent(s):

Union Trust Company
300 Main Street
Stamford, Connecticut 06904

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,996,376	$ 242,022
1984	4,650,725	605,103
1983	3,517,489	313,256

	No. of Com. Shares	Earn. per Share +
1985	336,004	$ 0.72
1984	336,004	1.80
1983	336,004	0.93

+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,932,720	$ 8.73
1984	2,764,539	8.23
1983	2,259,544	6.72

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 3,996,376	$ 4,650,725
Cost of sales	2,531,112	2,486,964
Expenses	1,144,775	1,072,439
Other income	(103,379)	(106,147)
Income before taxes	$ 423,868	$ 1,197,469
Income taxes	181,846	592,366
Net Income	$ 242,022	$ 605,103

* Included in Costs and Expenses, Depreciation and Amortization: $110,986 in 1985 and $104,854 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 1,145,802	$ 2,087,776
Accts. receiv., net	586,444	823,867
*Inventories	1,115,407	986,403
Prepaid expenses	281,861	46,678

Current Assets	$ 3,129,514	$ 3,994,724
#Fixed assets	1,320,598	685,457
Total Assets	$ 4,450,112	$ 4,630,181
	Liabilities	
Notes Payable	$ 62,899	$ 56,936
Accts. payable	423,327	167,418
Accruals	133,751	190,628
Accrued inc. taxes	17,118	362,807
Customer deposits	262,341	469,912
Dividend payable	74,141	101,101
Curr. Liabilities	$ 973,577	$ 1,348,802
Deferred inc. taxes	97,393	7,455
Notes payable	446,422	509,385
+ Common stock	168,502	168,502
Add. paid-in capital	437,297	437,297
Retained earnings	2,333,771	2,165,590
Treasury stock	(6,850)	(6,850)
Total Liabilities & Shareholders' Equity	$ 4,450,112	$ 4,630,181

* At lower of cost (FIFO) or market.
# Less accumulated depreciation & amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.61	25.75
%Net Income to Sales	6.06	13.01
%Net Income to Equity	8.25	21.89
Sales to Inventories	3.58	4.71
Debt to Equity	0.17	0.20
Working Capital	$2,155,937	$2,595,922
Current Ratio	3.21	2.92
Shareholders' Equity	$2,932,720	$2,764,539

Harris Corporation

1025 W. NASA Boulevard
Melbourne, Florida 32919
(305) 727-9100

Officers: Joseph A. Boyd, chairman & chief exec. officer; John T. Hartley, Jr., president & chief operating officer; Jack C. Davis, Frank J. Lewis, Jon E. Cornell, Frank J. Lewis, Guy W. Numann, sr. v.p.'s & sector executives; Bryan R. Roub, sr. v.p.-finance; Donald F. Wright, v.p. & general counsel; Herbert N. McCauley, v.p.-management information systems; Raymond J. Oglethorpe, v.p.-marketing; Fayette Brown, v.p.-corp. development; Ricardo A. Diaz, v.p.-manufacturing; John A. Hubner, v.p. and controller; Robert W. Fay, treasurer; O.W. Hudson, secretary.

Directors: Joseph A. Boyd*, chairman of the board; Ralph D. DeNunzio*, C. Jackson Grayson, Jr., J.T. Hartley, Oliver G. Haywood, David C. Scott, Richard B. Tullis*, James W. Wilcock, William Farinon, George L. Meisel, Gene W. Milner.

* Member of the Executive Committee.

Areas of Work: Designs, manufactures, installs and maintains equipment and systems for the communications and information processing industry. Products include satellite communications systems, radio and TV transmitters, two-way radios, data terminals and controllers, microwave transmission systems, digital PABX systems, medium-scale computers, utility control systems, integrated circuits, automated testing equipment, newspaper editing and composing systems, printing presses and binding equipment.

Divisions and Subsidiaries:

Information Systems Sector

Controls and Composition Division
407 John Rodes Boulevard
Melbourne, Florida 32901
(305) 242-5000
Electronic systems and terminals for news editing and advertising preparation, computerized phototypesetters, hot-metal linecasters, photo discs and type matrices, utility, pipeline, railroad and industrial control systems; data acquisition and processing equipment.

Computer Systems Division
2101 Cypress Creek Road
Fort Lauderdale, Florida 33309
(305) 974-1700
High-performance super-minicomputers, engineering workstations, peripherals and applications software.

Information Terminals Group
Dallas, Texas
Melbourne, Florida
Involved with distributed data processing, interactive products and word processing.

Digital Telephone Systems Division
One Digital Drive
Novato, California 94948
(415) 472-2500
Digital telephone and PBX systems for business and industrial firms and telephone companies.

Information Systems International Division
1025 W. NASA Boulevard
Melbourne, Florida 32919
(305) 727-9100
International sales, service and support of Harris Information Systems Sector products.

Communications Sector

Broadcast Group
3200 Wisman Lane
Quincy, Illinois 62305
(213) 222-8200
Radio and TV transmitters, studio equipment, automation systems and antennas, color TV cameras, video links, digital video systems.

Dracon Division
809 Calle Plano
Camarillo, California 93010
(805) 987-9511
Power supplies, equipment racks, and other auxiliary telephone equipment; voicepaging systems; telephone lineman's test instruments and tools.

Farinon Division
1691 Bayport Avenue
San Carlos, California 94070
(415) 594-3000
Farinon Electric: Microwave radios and multiplexers for voice, video and data communications systems. Farinon Video: Microwave studio transmitter links and electronic news-gathering links for broadcast and cable TV systems.

RF Communications Group
1680 University Avenue
Rochester, New York 14610
(716) 244-5830
Long range and short range two-way radio equipment and systems, mobile and fixed-base, for commercial, industrial, government and military applications.

Long Range Radio Division

Mobile Telephone Division

RF Systems Division

Satellite Communications Division
1301 Woody Burke Road
Melbourne, Florida 32901
(305) 724-3000
Earth stations, antennas and complete turnkey satellite communications systems for the overseas market and for commercial users in the U.S. market.

Network Services Division
1301 Woody Burke Road
P.O. Box 1040
Melbourne, FL 32901
(305) 724-3732
Operation and maintenance support for microwave, satellite, lightwave and network switching systems.

Semiconductor Sector

Semiconductor Products Division
P.O. Box 883
Melbourne, Florida 32902
(305) 724-7000
Standard data sheet and semicustom integrated circuits for commercial and government markets.

Harris Microwave Semiconductor, Inc. (80% owned)
Milpitas, California
Gallium arsenide microwave devices and integrated circuits; hybrid microwave amplifiers.

Custom Integrated Circuits Division
P.O. Box 883
Melbourne, FL 32902
(305) 724-7000
Analog and digital custom and semicustom LSI/VLSI circuits.

Matra-Harris Semiconducteurs, S.A. (49.9% owned)
B.P. 942
44075 Nantes CEDEX
France
Standard and semicustom CMOS and NMOS integrated circuits.

Government Systems Sector

Government Communications Systems Division
P.O. Box 91000
Melbourne, Florida 32902
(305) 727-4000
Satellite and terrestrial communication and control equipment.

Government Information Systems Division
P.O. Box 98000
Melbourne, Florida 32902
(305) 676-6300
Ground-based custom systems and software designed to collect, store, retrieve, process, analyze, display and distribute information of all types.

Government Support Systems Division
6801 Jericho Turnpike
Syosset, NY 11791
(516) 364-0400
Computer-controlled electronic maintenance, logistic and simulation systems for military aircraft, ships and ground vehicles.

Government Aerospace Systems Division
P.O. Box 94000
Melbourne, FL 39202
(305) 727-4000
Custom command, control, communication and intelligence aerospace systems for Department of Defense and NASA.

Government Electronic Systems Division
P.O. Box 96000
Melbourne, FL 32902
(305) 727-4000
Major programs for U.S. government agencies utilizing state-of-the-art communications and information processing technologies.

Business Information Systems Sector

Integrated Systems Marketing Group

National Accounts Division
16001 Dallas Parkway
P.O. Box 3399
Dallas, TX 75248
(214) 386-2000
Sells and services a broad range of information management systems to the largest financial, retail, manufacturing, utility and government enterprises in the United States.

Lanier Business Systems Division
1700 Chantilly Drive, N.E.
Atlanta, GA 30324
(404) 329-8000
Sells and services information management systems to small- and medium-size customers, and major accounts not specifically addressed by the National Accounts Division.

Lanier Thought Processing Division
1700 Chantilly Drive, N.E
Atlanta, GA 30324
(404) 329-8000
Portable, desktop, small work-group and centralized dictation products, business telephone systems and small private branch exchanges.

Harris/3M
Document Products, Inc.
2300 Parklake Drive, N.E.
P.O. Box 105667
Atlanta, GA 30348
(404) 496-9500

Harris Corporation

Worldwide marketing, sales and service of copiers and facsimile machines.

Transfer Agent(s):

The AmeriTrust Company
Cleveland, Ohio

Stock Exchange(s): New York, Midwest, Philadelphia

Ticker Symbol: HRS

Number of Employees:

1985	31,000	1982	22,000
1984	30,000	1981	25,800
1983	22,200		

Sales and Earnings

	Revenues +	Net Income
1985	$2,281,220,000	$ 80,287,000
1984	1,995,802,000	80,410,000
1983	1,809,302,000	69,374,000
1982	1,646,181,000	101,476,000
1981	1,418,796,000	129,494,000

	No. of Com. Shares #	Earn. per Share #
1985	40,198,000	$ 2.00
1984	39,817,000	2.02
1983	39,330,000	1.76
1982	39,756,000	2.58
1981	39,002,000	3.34

+ Includes sales, rental and services.
# Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Information syst.	$ 330,400,000	$ 320,400,000
Lanier	471,400,000	409,600,000
Communications	417,200,000	401,100,000
Semiconductor	272,600,000	234,300,000
Gov't. syst.	789,600,000	630,400,000
Total	$2,281,200,000	$1,995,800,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.88	—	—
1984	0.88	—	—
1983	0.88	—	—
1982	0.88	—	—
1981	0.80	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 867,484,000	$ 21.56
1984	818,091,000	20.48
1983	761,266,000	19.28
1982	715,073,000	18.26
1981	651,682,000	16.71

Income Account *
(000's)

Year ended June 30	1985	1984
Revenues	$ 2,281,220	$ 1,995,802
Other income	15,669	23,163
Equity income	6,718	—
Total Revenues	$ 2,305,548	$ 2,025,683
Cost of revenues	1,503,980	1,316,792
Expenses	677,730	590,871
Other income	(383)	(7,203)
Interest expense	24,299	23,039
Income before taxes	$ 99,922	$ 102,184
Income taxes	19,635	21,774
Net Income	$ 80,287	$ 80,410

* Included in Costs and Expenses. Depreciation: $115,081,000 in 1985 and $100,793,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 45,059	$ 54,028
Short-term securities	11,246	90,083
Accts. & notes receiv., net	414,341	357,749
Unbilled costs	229,647	193,283
*Inventories	364,647	353,697
Current Assets	$ 1,064,940	$ 1,048,840
Rental equip.	79,975	81,852
#Fixed assets	517,278	447,253
Other assets	126,337	118,918
Total Assets	$ 1,788,530	$ 1,696,863

Liabilities
(000's)

	1985	1984
Short-term debt	$ 34,402	$ 11,716
Accts. payable	140,541	128,590
Compensation & accruals	102,804	93,933
Advance payments	70,093	71,921
Income taxes	103,189	134,149
Other accruals	71,142	57,201
Unearned leasing & serv. inc.	63,820	59,153
Curr. Liabilities	$ 585,631	$ 556,663
Deferred inc. taxes	145,160	108,813
Long-term debt:		
7¼% Deben.	31,050	36,750
11½% Deben.	125,000	125,000
Other debt	34,205	51,546
+ Common stock	40,299	40,009
Add. paid-in capital	137,031	130,566
Retained earnings	703,357	658,456
Cum. trans. adj.	(12,977)	(10,723)
Treasury stock	(226)	(226)
Total Liabilities & Shareholders' Equity	$ 1,788,530	$ 1,696,863

* At lower of cost (average and FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.38	4.78
%Net Income to Sales	3.52	4.03
%Net Income to Equity	9.26	9.83
Debt to Equity	0.08	0.08
Working Capital	$479,309,000	$492,177,000
Current Ratio	1.82	1.88
Shareholders' Equity	$867,484,000	$818,091,000

Harvey Hubbell, Incorporated

584 Derby Milford Road
Orange, Connecticut 06477
(203) 789-1100

Officers: Fred R. Dusto, president & chief executive officer; G.J. Ratcliffe, Jr., executive v.p.-administration; Gerald E. Martin, exec. v.p.-operations; Richard H. Montague, Vincent R. Petrecca, Harry B. Rowell, Jr., group v.p.'s; Roger M. Search, v.p.-personnel; Vincent J. Meads, v.p.-international; D.G. McNamara, v.p.-accounting and control; Robert A. McRoberts, treasurer & asst. secretary; Walter R. Hajna, controller; William A. Finnell, Thomas J. Geiger, asst. treasurers; Richard W. Davies, secretary.

Directors: Robert N. Flint, G.J. Ratcliffe, Jr., Charles A McKee*, Robert W. Dixon*, Fred R. Dusto*, Andrew McNally IV, Robert M. Gordon, Horace G. McDonell.

*Member of the Executive Committee.

Divisions:

Wiring Device Division
State Street & Bostwick Avenue
Bridgeport, Connecticut 06602
(203) 333-1181
Vega Baja, Puerto Rico

Electrical wiring devices, ground fault circuit interruptors, medical power centers, floor boxes; marine and corrosion resistant products; hospital and medical special purpose products.

Plastics Division
Prospect Drive
Newton, Connecticut 06470
(203) 426-2555

Custom-molded plastic parts for electrical/electronics, appliance, hardware, recreation, packaging and automotive markets.

Kellems Division
Route One, Lord's Hill
Stonington, Connecticut 06378
(203) 535-1250

Mechanical holding devices for cable, rope, hose, and flexible conduit for utility, contractor, and industrial markets.

Lighting Division
Christiansburg, Virginia 24073
Anaheim, California
Moultrie, Georgia
Martin, Tennessee

Outdoor and indoor area lighting, landscape and hazardous-location lighting for commercial buildings, stadiums, gymnasiums, industrial plants, and residential use; underwater and reflecting pool lighting.

Industrial Controls Division
30 Edwards Street
Madison, Ohio 44057
(216) 428-1161

Heavy-duty electrical and electronic control equipment for industrial markets.

Pulsecom Division
Herndon, Virginia
(703) 820-0652

Manufactures electronic products related to the transmission and control of data, teleprinter, voice and television signals.

Hermetic Refrigeration Division
Phoenix, Arizona

Remanufacture of refrigeration and air conditioning compressors.

Subsidiaries:

The Kerite Company
49 Day Street
Seymour, Connecticut 06483
(203) 888-2591

Proprietary insulated wire and cable for railroads, electric utilities, and industrial markets.

Raco, Inc.

Manufactures steel and plastic boxes for electrical connections at outlet, switch, and junction locations; fittings for electrical wiring systems.

The Ohio Brass Company
Mansfield, Barberton & Wadsworth, Ohio
Newell, Oak Hill, and Huntington, West Virginia
Aiken, South Carolina

Polymer and ceramic insulators, surge arresters, transit and industrial haulage system components.

Harvey Hubbell Canada, Inc.
870 Brock Road South
Pickering, Ontario, Canada
(416) 839-1139

Manufacture and assembly of wiring devices, mesh grips, lighting fixtures, industrial controls.

Harvey Hubbell Ltd.
Kempston, Bedfordshire, England

Manufacture and assembly of fuse switches, contactors, timers, lighting fixtures, motor controls.

Acquisition(s):

Killark Electric Manufacturing Company
St. Louis & Louisiana, Missouri
Sparta, Illinois

Standard and specialized wiring devices, lighting fixtures, fittings, and enclosures.

Miller Lighting

Manufacturer of flourescent and high intensity discharge lighting for commercial and industrial markets.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
New York, New York, 10001

Stock Exchange(s): American

Ticker Symbol: HUBA & HUBB

Number of Employees:

1985	5,766	1982	5,469
1984	5,170	1981	6,400
1983	5,671		

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 521,136,000	$ 47,742,000
1984	467,133,000	42,001,000
1983	422,375,000	32,585,000
1982	413,990,000	35,053,000
1981	430,843,000	34,609,000

	No. of Com. Shares #	Earn. per Share #
1985	24,263,000	$ 1.91
1984	23,724,000	1.69
1983	23,280,000	1.30
1982	22,739,000	1.43
1981	22,660,000	1.41

‡ Of continuing operations.

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.74	—	2-for-1
1984	0.67	—	—
1983	0.61	—	—
1982	0.57	—	—
1981	0.53	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 280,907,000	$ 11.47
1984	246,262,000	10.41
1983	220,678,000	9.50
1982	198,541,000	8.78
1981	178,100,000	7.94

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 521,136	$ 467,133
Cost of sales	349,730	318,776
Expenses	94,401	79,095
Interest expense	977	367
Interest income	(5,261)	(7,106)
Other expense	675	323
Eq. in earn. of subsid.	(1,699)	—
Income before taxes	$ 82,313	$ 75,678
Income taxes	34,571	33,677
Net Income	$ 47,742	$ 42,001

*Included in Costs and Expenses, Depreciation and Amortization: $11,957,000 in 1985 and $10,410,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. invest.	$ 27,443	$ 5,316
Accts. receiv., net	66,339	61,340
*Inventories	115,163	93,986
Prepaid expenses & other assets	14,989	13,364
Current Assets	$ 223,934	$ 188,435
#Fixed assets	90,691	81,070
Other assets	75,243	80,100
Total Assets	$ 389,868	$ 349,605

Liabilities
(000's)

Accts. payable	$ 20,076	$ 17,873
Accrued salaries	10,642	8,047
Accrued income taxes	13,310	11,238
Accrued taxes	4,833	3,489
Dividends payable	4,955	4,497
Accrued liabilities	22,210	20,590
Curr. Liabilities	$ 76,026	$ 65,734
Deferred income taxes	8,597	7,435
Long-term debt	3,590	2,700
Non-current liabilities	6,142	4,585
+ Redeemable pref. stock	14,606	22,889
+ + Common stock:		
Class A	31,910	16,103
Class B	90,554	43,047
Add. paid-in capital	3,549	8,189
Retained earnings	159,690	183,987
Cum. trans. adj.	(4,796)	(5,064)
Total Liabilities & Shareholders' Equity	$ 389,868	$ 349,605

*At lower of cost (FIFO and LIFO) or market.

# Less accumulated depreciation & amortization.

+ No par value.

+ + $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	15.79	16.20
%Net Income to Sales	9.16	8.99
%Net Income to Equity	17.00	17.06
Sales to Inventories	4.53	4.97
Working Capital	$147,908,000	$122,701,000
Current Ratio	2.95	2.87
Shareholders' Equity	$280,907,000	$246,262,000

Hathaway Corporation

5250 East Evans Avenue
Denver, Colorado 80222
(303) 756-8301

Officers: Eugene E. Prince, chairman of the board, president & chief exec. officer; A.J. Hintze, vice chairman; James A. Bright, v.p.; E.J. Westback, v.p.; Richard D. Smith, v.p.-finance, secretary, treasurer & chief financial officer; Herbert G. Franson, mgr.-corporate planning & control, asst. treasurer & asst. secretary.

Directors: A. J. Hintze, Bruce B. Brundage, Eugene E. Prince, Marvin J. Fein, Harold Y. Sampson.

Areas of Work: Manufactures electronics systems, instruments, and components. Products are sold to electric energy and industrial companies, as well as to computer printer and disk manufacturers.

Divisions:

Computer Motor Products Division
Owasso, Oklahoma

Data Systems Division
Denver, Colorado

Data Capture Technology
Tulsa, Oklahoma

Subsidiaries:

Hathaway Peripherals Hong Kong Ltd.
Hong Kong

Global Software, Inc.
Raleigh, North Carolina

Beta Products, Inc.
Carrollton, Texas

Inlab, Inc.
Broomfield, Colorado

Computer Optical Products, Inc.
Chatsworth, California

Systems Northwest, Inc.
Seattle, Washington

First Colorado Leasing Corp.
Denver, Colorado

Transfer Agent(s):

Bank of America, N.T. & S.A.
Corporate Agency Service Center #9511
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HATH (NASDAQ)

Number of Employees:

1985	609	1982	236
1984	400	1981	250
1983	273		

Plant Footage:

1985	167,951 sq. ft.	1982	69,000
1984	113,751	1981	75,000
1983	85,000		

Sales and Earnings

	Net Sales †	Net Income +
1985	$ 36,449,000	$ 4,025,000
1984	17,589,000	2,120,000
1983	17,262,000	1,802,000
1982	15,623,000	1,423,000
1981	13,545,000	522,020

	No. of Com. Shares ×	Earn. per Share + #
1985	3,564,331	$ 1.11
1984	2,313,153	0.60
1983	2,257,406	0.51
1982	1,055,073	0.44
1981	828,312	0.17

† Of continuing operations only.

× Adjusted to reflect stock splits.

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

+ Including extraordinary credits of $105,000 ($0.03 per share) in 1982 and $75,000 ($0.03 per share) in 1981.

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$0.133	—	3-for-2
1984	0.120	—	—
1983	0.073	—	2-for-1
1982	0.060	—	5-for-4
1981	0.037	—	—

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 12,662,000	$ 3.55
1984	8,797,000	2.54
1983	6,537,000	1.93
1982	4,215,000	1.33
1981	2,914,000	0.94

+ Adjusted to reflect stock splits.

Income Account *

Year ended	6/29/85	6/30/84
Net sales	$ 36,449,000	$ 17,589,000
Cost of sales	21,448,000	9,072,0000
Expenses	9,628,000	6,060,000
Interest exp. (income)	159,000	(94,000)
Litigation expense	126,000	82,000
Minority interest	147,000	—

Hathaway Corporation

Loss from unconsol. subsid.	116,000	15,000
Other expense (income)	496,000	(22,000)
Income before taxes	$ 4,329,000	$ 2,476,000
Income taxes	1,756,000	722,000
Inc. - cont. oper.	$ 2,573,000	$ 1,754,000
Inc. - discont. oper.	1,452,000	366,000
Net Income	$ 4,025,000	$ 2,120,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,096,000 in 1985 and $513,000 in 1984.

Assets

As of	6/29/85	6/30/84
Cash	$ 741,000	$ 460,000
Marketable securities	1,511,000	1,561,000
Receiv., net	5,832,000	4,187,000
*Inventories	5,620,000	3,917,000
Prepaid expenses	587,000	178,000
Current Assets	$ 14,291,000	$ 10,303,000
#Fixed assets	4,115,000	2,009,000
Investments	2,353,000	1,374,000
Intangibles	8,214,000	767,000
Other assets	2,146,000	451,000
Total Assets	$ 31,119,000	$ 14,904,000

Liabilities

Notes payable	$ 3,300,000	$ 893,000
Long-term debt, curr.	1,267,000	453,000
Accts. payable	2,038,000	1,325,000
Accruals	2,318,000	1,150,000
Warranty reserve	298,000	209,000
Inc. taxes pay.	153,000	—
Empl. stock bonus plan	484,000	184,000
Curr. Liabilities	$ 9,858,000	$ 4,214,000
Long-term debt	6,073,000	672,000
Def. software serv. inc.	1,132,000	—
Deferred inc. taxes	1,145,000	1,095,000
Deferred gain on sale	83,000	126,000
Minority interest	166,000	—
+Common stock	100,000	100,000
Add. paid-in capital	3,865,000	3,557,000
Retained earnings	8,724,000	5,172,000
Treasury stock	(27,000)	(32,000)
Total Liabilities & Shareholders' Equity	$ 31,119,000	$ 14,904,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	31.79	24.10
Sales to Inventories	6.49	4.49
Debt to Equity	0.84	0.23
Working Capital	$ 4,433,000	$6,089,000
Current Ratio	1.45	2.44
Shareholders' Equity	$12,662,000	$8,797,000

Hazeltine Corporation

Commack, New York 11725
(516) 462-5100

Officers: Sal J. Nuzzo, president & chief exec. officer; Albert Arbeeny, v.p.-special products; Henry L. Bachman, v.p.-engineering; Frederick C. Brehm, sr. v.p. & gen. mgr.-government systems & products; Joseph R. Colarusso, sr. v.p.-business development; Randolph H. Cope, sr. v.p.-research; James W. Evans, v.p.-community & public relations; Martin J. Faber, Jr., v.p.-international; Charles A. Furciniti, v.p.-Washington operations; John B. Guelfi, v.p. & controller; Raymond J. Hoehn, sr. v.p.& deputy gen mgr.-government systems & prod.; Herbert Huebscher, v.p.-strategic planning; David E. Kern, sr. v.p.-finance & human resources & chief financial officer; Bernard D. Loughlin, v.p.-technology; Donald P. Neuhaus, v.p.-technical support services; Robert F. Normandin, sr. v.p.-C^3I systems & products; William E. Kirkpatrick, v.p.-communications systems product line; Edward Reynolds, treasurer; Kenneth P. Robinson, v.p., gen. counsel & secretary; James A. Kennedy, asst. v.p-financial analysis; Walter E. Tedford, George S. Thomas, asst. v.p.'s-international; Charles G. Berendsen, v.p.-C^3I program management; Martin H. Berlin, v.p.-materiel; John T. Buck, v.p.-electronic identification & tactical systems; Raymond E. Daugherty, v.p.-production programs; John T. Flynn, v.p.-C^3I special programs; Richard C. Gloekler, v.p.-mfg.; Donald L. Miller, v.p.-navigational systems; Walter Stark, v.p.-contracts, admin., counsel & asst. secty.; John L. Volk, v.p.-display systems products line; Edward A. Onders, associate gen. counsel & asst. secretary.

Directors: Robert H. Clark, Jr., chairman; Sal J. Nuzzo, George E. Peterson, Jr., Richard T. Niner, John W. Dwyer, William F. Whitman, Jr., Herbert I. Fusfeld.

Areas of Work: Designs, develops and manufactures government products consisting of air traffic control equipment; electronic displays for defense and other government purposes, including displays for use in early warning, command and control systems, tactical displays and digital video display systems; antisubmarine warfare equipment, aircraft identification (IFF) systems, modems for communications, microwave landing systems and computer-based training systems.

Divisions and Subsidiaries:

Government Systems and Products
Greenlawn, New York 11740
(516) 261-7000

Hazeltine Research Inc.
188 Industrial Drive
Suite 315
Elmhurst, Illinois 60126
(312) 833-5060

Hazeltine Corporation
10800 Parkridge Boulevard
Reston, Virginia 22091
(703) 620-6800

1235 Jefferson Davis Highway
Suite 1100
Arlington, Virginia 22202
(703) 892-1800

Hazeltine Corporation
Electro-Acoustic Systems Laboratory
115 Bay State Drive
Braintree, Massachusetts 02184
(617) 848-3400

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: HZ

Number of Employees:

1985	2,500	1982	2,400
1984	2,450	1981	2,700
1983	2,400		

Plant Footage:

1985	828,148 sq. ft.	1982	819,522
1984	829,005	1981	927,722
1983	812,900		

Sales and Earnings

	Revenues +	Net Income
1985	$ 177,725,000	$ 10,140,000
1984	173,779,000	10,730,000
1983	142,527,000	2,620,000
1982	125,646,000	630,000
1981	105,729,000	1,865,000

	No. of Com. Shares †	Earn. per Share ‡
1985	6,295,816	$ 1.62
1984	6,249,032	1.72
1983	6,209,852	0.42
1982	6,176,580	0.10
1981	6,166,287	0.30

+ Of continuing operations only
† Adjusted to reflect stock split
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.39	—	—
1984	0.35	—	—
1983	0.31⅓	—	3-for-1
1982	0.27⅓	—	—
1981	0.26⅔	—	—

‡ Adjusted to reflect stock split

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 61,653,000	$ 9.79
1984	53,769,000	8.60
1983	45,203,000	7.28
1982	44,453,000	7.20
1981	45,450,000	7.37

‡ Adjusted to reflect stock split

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 177,725,000	$ 173,779,000
Cost of sales	143,517,000	138,309,000
Expenses	20,033,000	19,920,000
Other expense (income)	(350,000)	220,000
Interest income	(1,581,000)	(2,374,000)
Interest expense	68,000	60,000
Income before taxes	$ 16,038,000	$ 17,644,000
Income taxes	5,898,000	6,914,000
Net Income	$ 10,140,000	$ 10,730,000

* Included in Costs and Expenses, Depreciation: $6,304,000 in 1985 and $5,062,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & temp. cash invest.	$ 17,092,000	$ 22,315,000
Accts. receiv., net	40,371,000	35,520,000
*Inventories	37,176,000	28,361,000
Prepaid expenses	256,000	350,000
Current Assets	$ 94,895,000	$ 86,546,000
#Property, plant & equipment	41,433,000	34,338,000
Other assets	429,000	315,000
Total Assets	$ 136,757,000	$ 121,199,000

Liabilities

Accts. payable	$ 10,483,000	$ 7,906,000
Accruals	31,318,000	32,489,000
Deferred income taxes	21,124,000	15,414,000
Current Liabilities	$ 62,925,000	$ 55,809,000
Deferred compensation	1,679,000	1,121,000
Deferred inc. taxes	10,500,000	10,500,000
+Common stock	15,420,000	14,748,000
Retained earnings	46,791,000	39,098,000
Treasury stock	(558,000)	(77,000)
Total Liabilities & Shareholders' Equity	$ 136,757,000	$ 121,199,000

* Stated on basis of accumulated costs less portions of such costs allocated to products delivered, but not in excess of estimated recoverable amounts.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.02	10.15
%Net Income to Revenues	5.71	6.17
%Net Income to Equity	16.45	19.96
Working Capital	$31,970,000	$30,737,000
Current Ratio	1.51	1.55
Shareholders' Equity	$61,653,000	$53,769,000

HCC Industries

16311 Ventura Boulevard
Suite 1180
Encino, California 91436
(818) 995-4131

Officers: Jack Goldfarb, chairman of the board; Alan W. Wong, v.p. & chief financial officer, Andrew Goldfarb, chief exec. officer & president; Michael Pelta, vice chairman; William J. Onderdonk, v.p.; Fredric Horowitz, secretary, Eugene E. Harrison, asst. secretary.

Directors: Jack Goldfarb, Michael Pelta, Andrew Goldfarb, Robert Goldstein, Morris A. Steinberg, Eugene E. Harrison, Jerry A. Grundhofer.

Areas of Work: Designs, manufactures and markets precision electronic components - hermetically sealed electronic connection devices, electromechanical and other types of sensors (transducers) for aerospace and military electronics, oil and gas, medical electronics and test measurement industries, and power conversion components, primarily transformers and line conditioners/regulators for use in and with computers, telecommunications systems and other electronic equipment.

Subsidiaries:

Hermetic Seal Corporation
4232 Temple City Boulevard
Rosemead, California 91770

Transducer Controls Corporation
7800 Deering Avenue
Canoga Park, California 91304

HCC Industries International
Beaver House
Victoria Road
Swindon, Wiltshire, U.K.

Computer Magnetics Corporation
121 Hale Street
Lowell, Massachusetts 01850

Merrimack Magnetics Corporation
Manufactures transformers.

Glasseal Products, Inc.
485 Oberlin Avenue
Lakewood, New Jersey 08701

Sealtron, Inc.
9705 Reading Road
Cincinnati, Ohio 45215

Acquisition(s):

Hermetite Corp.
100 Ladge Drive
Avon, Massachusetts 02322
Produces hermetically sealed microelectronic packages.

Transfer Agent(s):

City National Bank
Beverly Hills, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HCCI (NASDAQ)

Number of Employees:

1986	933	1983	912
1985	790	1982	511
1984	790		

Plant Footage:

1986	276,000 sq. ft.	1983	275,000
1985	276,000	1982	185,000
1984	275,000		

Sales and Earnings

	Net Sales †	Net Income +
1986	$ 39,646,000	$ 10,000
1985	37,757,000	1,039,000
1984	30,229,000	1,148,000
1983	16,668,000	1,122,000
1982	16,082,000	895,000

	No. of Com. Shares	Earn. per Share ‡
1986	1,775,700	$ 0.01
1985	1,773,200	0.57
1984	1,911,200	0.60
1983	1,910,200	0.59
1982	1,910,200	0.47

† Of continuing operations only.
+ Including extraordinary loss of $326,000 ($0.18 per share) in 1985.
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.06	—	—
1985	0.06	—	—
1984	0.06	—	—
1983	0.06	—	—
1982	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 11,332,000	$ 6.38
1985	11,405,000	6.24
1984	11,554,000	6.05
1983	10,512,000	5.50
1982	9,226,000	4.83

Income Account *

Year ended	3/29/86	3/30/85
Net sales	$ 39,646,000	$ 37,757,000
Cost of sales	28,776,000	26,202,000
Expenses	8,296,000	7,625,000
Interest income	(658,000)	(945,000)
Eq. in loss of unconsol. subsid.	77,000	24,000
Interest expense	2,079,000	2,084,000
Loss on market secur.	—	142,000
Income before taxes	$ 1,076,000	$ 2,625,000
Income taxes	640,000	1,202,000
Inc. (loss) - cont. oper.	$ (436,000)	$ 1,423,000
Loss - discont. oper.	(426,000)	(58,000)
Net Income	$ 10,000	$ 1,365,000
Extraord. loss	—	(326,000)
Net Income & extroard. loss	$ 10,000	$ 1,039,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,143,000 in 1986 and $851,000 in 1985.

Assets

As of	3/29/86	3/30/85
Cash	$ 1,548,000	$ 3,971,000
Treasury bills	4,500,000	2,581,000
Marketable securities	—	1,935,000
Accts. receiv., net	7,356,000	5,674,000
*Inventories	7,114,000	6,352,000
Notes receiv.	475,000	152,000
Current Assets	$ 20,993,000	$ 20,665,000
#Fixed assets	9,342,000	7,051,000
Other assets	8,522,000	5,323,000
Total Assets	$ 38,857,000	$ 33,039,000

Liabilities

Accts. payable & accruals	$ 8,043,000	$ 5,680,000
Inc. taxes payable	94,000	408,000
Curr. Liabilities	$ 8,137,000	$ 6,088,000
Long-term debt	16,635,000	13,557,000
Adv. from unconsol. subsid.	2,753,000	1,989,000
Common stock	2,810,000	2,787,000
Retained earnings	8,522,000	8,618,000
Total Liabilities & Shareholders' Equity	$ 38,857,000	$ 33,039,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.

Statistical Summary

%Net Income to Equity	0.09	11.97
Sales to Inventories	5.57	5.94
Debt to Equity	1.47	1.19
Working Capital	$12,856,000	$14,577,000
Current Ratio	2.58	3.39
Shareholders' Equity	$11,332,000	$11,405,000

Healthdyne, Inc.

2253 Northwest Parkway
Marietta, Georgia 30067
(404) 955-9555

Officers: Parker H. Petit, chairman of the board & chief exec. officer; Denis J. Devane, president & chief operating officer; J. Brent Burkey, v.p., general counsel & corporate secretary; J. Terry Dewberry, exec. v.p.; Andrew J. Gondek, president-Technology Group; Richard L. Klein, v.p.-finance & chief financial officer; Jeffrey D. Koepsell, president-Health Care Services Group; Yvonne V. Scoggins, treasurer & asst. secretary; James J. Tuite, corporate controller; J. Paul Yokubinas, exec. v.p.

Directors: Parker H. Petit*, chairman of the board; A. Russell Chandler, III*, J. Terry Dewberry, Andrew J. Gondek, Brian D. Hogg*, W. Scott James, M.D.*, E. Roe Stamps, IV*, J. Leland Strange*, J. Paul Yokubinas.

* Member of the Executive Committee.

Areas of Work: The Company is a diversified medical products manufacturer and health care services company. The Company designs, manufactures and markets a line of high-technology devices for the home health care and hospital markets. In the service area, the Company is a provider of home health care support for technology-related therapies and certain hospital equipment services.

Divisions and Subsidiaries:

CARDIOVASCULAR PRODUCTS:

Healthdyne Blood Pressure Transducers and Cardiovascular Disposables
Delta Hemodynamic Monitoring Products
Delta Extracorporeal Products
Air-Shields Drainage Pumps
Air-Shields Wound Drainage Disposables

PULMONARY CARE PRODUCTS:

Healthdyne Ventilators
Healthdyne Monitoring Equipment
Healthdyne Oxygen Concentrators
Air-Shields Anesthesia Ventilators

INFANT CARE PRODUCTS:

Healthdyne Infant Monitors
Air-Shields Isolette® Infant Incubators
Air-Shields Intensive Care Warmers
Air-Shields Transport Incubators
Air-Shields Jaundice Management Equipment
Air-Shields Transport Intensive Care Systems

SURGICAL PRODUCTS:

PATIENT MONITORING PRODUCTS:

Air-Shields Vital Sign Monitors
Air-Shields Blood Pressure Monitors
Air-Shields Bedside and Central Station Monitors
Air-Shields Transcutaneous Monitors
Porta-Fib® Monitor/Defibrillators

INTRAVENOUS THERAPY PRODUCTS:

Air-Shields I.V. Pumps and Accessories

Transfer Agent(s):

Trust Company of Georgia
Trust Company of Georgia Building
Atlanta, Georgia 30302

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HDYN (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
12/31/84	$ 134,424,000	$ (35,207,000)
12/31/83	132,712,000	5,289,000

12/31/82*	38,127,000	1,717,000
4/30/82	24,402,000	3,961,000
4/30/81	9,987,000	1,083,000

	No. of Com. Shares ‡	Earn. per Share
12/31/84	14,199,000	$ —
12/31/83	13,700,000	0.38
12/31/82*	10,425,000	0.16
4/30/82	8,085,000	0.49
4/30/81	5,676,000	0.19

(Loss)

* 8 months.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
12/31/84	$ 99,558,000	$ 7.01
12/31/83	134,851,000	9.79
12/31/82	71,250,000	6.83
4/30/82	17,297,000	2.14
4/30/81	3,199,000	0.56

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1984	1983
Net sales	$ 111,807	$ 115,180
Rentals	22,617	17,532
Total revenues	$ 134,424	$ 132,712
Cost of sales	73,854	70,888
Expenses	73,810	55,003
Interest income	(500)	(1,009)
Interest expense	6,295	3,036
Loss on sale of subsid.	5,168	—
Loss on assets held for sale	6,743	—
Discount on invest.	1,120	—
Loss on litigation settle.	6,406	—
Other income	(962)	(1,381)
Inc. (loss) bef. taxes	$ (37,510)	$ 6,175
Income taxes (credit)	(2,303)	886
Net Income (Loss)	$ (35,207)	$ 5,289

* Included in Costs and Expenses, Depreciation and Amortization: $8,595,000 in 1984 and $5,196,000 in 1983.

Assets
(000's)

As of Dec. 31	1984	1983
Cash	$ 4,035	$ 3,027
Accts. receiv., net	28,848	36,554
Notes receivable	600	1,340
Refundable taxes	3,937	4,393
Other receivables	1,943	2,575
*Inventories	28,522	36,091
Prepaid expenses	667	1,348
Deferred inc. taxes	1,159	1,272
Assets held for sale	3,546	—
Other curr. assets	89	1,013
Current Assets	$ 73,346	$ 87,613
Investments	5,129	2,520
#Fixed assets	31,395	30,286
Notes receivable	2,660	2,472
Other assets	2,972	2,050
Intangibles	49,125	48,914
Total Assets	$ 164,627	$ 173,855

Liabilities
(000's)

Notes payable	$ 890	$ —
Long-term debt, curr.	3,284	5,099
Accts. payable	7,385	8,741
Accruals	10,373	11,530
Curr. Liabilities	$ 21,932	$ 25,370
Long-term debt	35,365	12,334
Deferred inc. taxes	864	984
Other liabilities	4,208	316
Convert. subord. deben.	2,700	—
+ Common stock	144	143
Add. paid-in capital	126,133	126,047
Retained earnings (deficit)	(26,611)	12,023
Cum. trans. adjust.	(108)	(30)
Treasury stock	—	(3,332)
Total Liabilities & Shareholders' Equity	$ 164,627	$ 173,855

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.36
%Net Income to Sales	—	4.59
%Net Income to Equity	—	5.31
Sales to Inventories	3.92	3.19
Working Capital	$ 51,414,000	$62,243,000
Current Ratio	3.34	3.45
Shareholders' Equity	$134,851,000	$99,558,000

HEI Inc.

1495 Steiger Lake Lane
Victoria, Minnesota 55386
(612) 443-2500

Officers: Wesley J. Anderson, chairman; Robert Pitel, president & chief executive officer; Larry Busch, v.p.-finance & chief financial officer; Gerald F. Jablinski, v.p. & gen. mgr.-Hybrid Electronics Division; Michael Prichard, secretary; Roger D. Young, v.p. & gen. mgr.-Scanning Systems Division.

Directors: Wesley J. Anderson, chairman of the board; William R. Franta, Joseph B. Klemp, Robert Pitel, Alan K. Ruvelson, Lyman E. Wakefield, Jr.

Areas of Work: Manufactures electronic components and systems which convert light into electronic signals through hybrid circuitry - a sophisticated electronic assembly process which allows for miniaturization of circuit elements. Products include custom hybrid circuits, optical scanners for gaming, education and government, light pens for computer-aided design and interactive video tasks, optical switches and assemblies for typesetting systems, computer peripherals and industrial equipment.

Divisions:

Hybrid Electronics Division
Scanning Systems Division
Light Sensing Products Division

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HEII (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 6,835,501	$ (874,109)
1984	9,410,956	596,418
1983	8,514,430	705,269
1982	6,962,505	617,575
1981	5,728,645	545,730

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,420,027	$ —
1984	1,432,098	0.42
1983	1,423,775	0.50
1982	1,377,182	0.45
1981	1,221,940	0.45

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	20%	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 5,350,519	$ 3.77
1984	6,221,258	4.34
1983	5,606,575	3.94
1982	4,745,516	3.45
1981	4,127,941	3.38

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 6,835,501	$ 9,410,956
Cost of sales	5,926,404	6,035,841
Expenses	2,480,883	2,396,223
Interest expense	226,623	173,280
Interest income	(8,300)	(50,806)
Inc. (loss) bef. taxes	$ (1,790,109)	$ 856,418
Income taxes (credit)	916,000	(260,000)
Net Income (Loss)	$ (874,109)	$ 596,418

* Included in Costs and Expenses, Depreciation and Amortization: $546,974 in 1985 and $475,423 in 1984.

Assets

As of Aug. 31	1985	1984
Cash & temp invest.	$ 47,971	$ 151,822
Accts. receiv., net	1,187,714	1,804,608
Refundable taxes	548,688	72,500
*Inventories	3,473,230	3,813,565
Prepaid expenses	272,834	466,581
Current Assets	$ 5,530,437	$ 6,309,076
#Fixed assets	3,468,427	3,172,961
Other assets	58,657	53,241
Total Assets	$ 9,057,521	$ 9,535,278

Liabilities

Notes payable	$ 100,000	$ —
Long-term debt, curr.	185,549	187,224
Accts. payable	409,041	825,185
Acruals	466,703	368,747
Emp. trust pay.	—	380,144
Def. inc. taxes	—	230,000
Curr. Liabilities	$ 1,161,293	$ 1,991,300
Long-term debt	2,222,709	1,135,720
Deferred inc. taxes	323,000	187,000
+ Common stock	71,025	70,984
Add. paid-in capital	4,096,509	4,093,180
Retained earnings	1,182,985	2,057,094
Total Liabilities & Shareholders' Equity	$ 9,057,521	$ 9,535,278

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.10
%Net Income to Sales	—	6.34

%Net Income to Equity	—	9.59
Sales to Inventories	1.97	2.47
Debt to Equity	0.47	0.21
Working Capital	$4,369,144	$4,317,776
Current Ratio	4.76	3.17
Shareholders' Equity	$5,350,519	$6,221,258

Heinicke Instruments Company

300 Taft Street
Hollywood, Florida 33021
(305) 987-6101

Officers: Chester A. Warner, chairman, president & chief exec. officer; Thomas S. Irwin, v.p., treasurer & chief financial officer; Alexander Nagy, Frank W. Enderlin, Harry P. Biemolt, v.p.'s; Lawrence H. Wheeler, controller & asst. treasurer; Julie A. Shumpert, secretary, Elizabeth R. Letendre, asst. secretary; Elmer C. Mason, mgr.-corp. communications.

Directors: Chester A. Warner, chairman of the board; Wilbur L. Morrison, Jacob T. Carwile, Carl A. Jacobson, Alan Schriesheim, Vladimir Haensel, Herbert C. Gwinn, Paul F. Manieri.

Areas of Work: Engaged in two principal business segments: laboratory products and engine products and services. NAPCO Scientific Company and Hotpack Corporation, wholly owned subsidiaries, design and manufacture controlled environment equipment for use in clinical, educational, government and industrial scientific laboratories. The Jet Avion Division is engaged in the manufacture of parts for gas turbine engines, primarily jet aircraft engines and also provides custom brazing and heat treating services.

Divisions and Subsidiaries:

Jet Avion
3000 Taft Street
Hollywood, Florida 33021
(305) 987-6101

NAPCO Scientific Company
20210 S.W. Teton
Tualatin, Oregon 97062
(503) 692-4686

Hotpack Corporation
10940 Dutton Road
Philadelphia, Pennsylvania 19154
(215) 824-1700

Transfer Agent(s):

First Interstate Bank of Oregon, N.A.
Portland, Oregon

Fidata Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: HEI

Number of Employees:

1985 400

Plant Footage:

1985 . . . . 296,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 32,313,000	$ 2,701,000
1984	27,530,000	2,614,000
1983	22,036,000	1,806,000
1982	24,850,000	1,919,000
1981	24,497,000	2,366,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,586,402	$ 1.70
1984	2,428,769	1.08
1983	2,877,872	0.63
1982	2,871,541	0.67
1981	2,864,676	0.83

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Engine prods. & serv.	$ 16,163,000	$ 12,440,000
Laboratory prods.	16,150,000	15,090,000
Total	$ 32,313,000	$ 27,530,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.10	—	—
1984	0.10	—	—
1983	0.10	—	—
1982	0.10	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 11,466,000	$ 7.23
1984	8,925,000	3.67
1983	18,832,000	6.54
1982	17,281,000	6.02
1981	15,637,000	5.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Oct. 31	1985	1984
Net sales & services	$ 32,313,000	$ 27,530,000
Cost of sales	19,292,000	16,037,000
Expenses	7,136,000	6,446,000
Interest expense	1,503,000	792,000
Other income	(369,000)	(463,000)
Income before taxes	$ 4,951,000	$ 4,718,000
Income taxes	2,250,000	2,104,000
Net Income	$ 2,701,000	$ 2,614,000

* Included in Costs and Expenses, Depreciation and Amortization: $911,000 in 1985 and $847,000 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 706,000	$ 374,000
Short-term invest.	2,295,000	3,204,000
Accts. receiv., net	5,476,000	4,520,000
*Inventories	8,513,000	7,782,000
Prepaid expenses	293,000	288,000
Deferred inc. taxes	291,000	254,000
Current Assets	$ 17,574,000	$ 16,422,000
#Fixed assets	9,664,000	5,616,000
Other assets	502,000	527,000
Intangibles	2,198,000	2,231,000
Total Assets	$ 29,938,000	$ 24,796,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 1,388,000	$ 1,145,000
Accts. payable	953,000	1,003,000
Accruals	1,710,000	1,320,000
Income taxes	431,000	443,000
Curr. Liabilities	$ 4,482,000	$ 3,911,000
Long-term debt	13,624,000	11,689,000
Deferred inc. taxes	366,000	271,000
+ Common stock	481,000	481,000
Add. paid-in capital	5,299,000	4,589,000
Retained earnings	18,705,000	16,164,000
Treasury stock	(11,431,000)	(12,309,000)
Note receiv.- invest. plan	(1,588,000)	—
Total Liabilities & Shareholders' Equity	$ 29,938,000	$ 24,796,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.16⅔ par value.

Statistical Summary

%Income bef. Taxes to Sales	15.32	17.14
%Net Income to Sales	8.36	9.50
%Net Income to Equity	23.56	29.29
Sales to Inventories	3.80	3.54
Debt to Equity	1.31	1.44
Working Capital	$13,092,000	$12,511,000
Current Ratio	3.92	4.20
Shareholders' Equity	$11,466,000	$ 8,925,000

Hewlett-Packard Company

3000 Hanover Street
Palo Alto, California 94304
(415) 857-1501

Officers: David Packard, chairman of the board; William R. Hewlett, vice chairman; John A. Young, pres. & chief exec. officer; Paul C. Ely, Jr., William E. Terry, Dean O. Morton, Richard C. Alberding, John L. Doyle, exec. v.p.'s; Alfred P. Oliverio, sr. v.p.-mktg.; James L. Arthur, v.p. & director-U.S. Field Operations; S.T. Jack Brigham III, v.p.-adm. & gen. counsel; Douglas C. Chance, sr. v.p. & gen. mgr.-Information Systems; Harold E. Edmondson, v.p.-mfg.; Franco Mariotti, v.p.-Europe; Richard A. Hackborn, v.p. & gen. mgr.-Peripherals; Lewis E. Platt, sr. v.p.-mfg.-Medical & Analytical Systems; Alan D. Bickell, v.p. & dir.-Intercontental Operations; Joel S. Birnbaum, v.p. & dir.-Hewlett-Packard Laboratories; William f. Craven, v.p. & gen. mgr.-Components Group; William G. Parzybok, Jr., v.p. & gen. mgr.-Design Systems Group; Robert P. Wayman, v.p., chief fin. officer & controller; Cyril J. Yansouni, v.p. & gen. mgr.-Personal Computers Group; George F. Newman, Jr., treasurer; Richard W. Anderson, v.p. & gen. mgr.-Microwave Communications Group; Benjamin L. Holmes, v.p. & gen. mgr.-Medical Group; Charles W. Richion, v.p.-U.S. field operatons sales; D. Craig Nordlund, secretary & corp. counsel.

Directors: David Packard, chairman; William R. Hewlett, William E. Terry, Robert J. Glaser, Antonie T. Knoppers, John A. Young, James D. Hodgson, Dean O. Morton, John B. Fery, Harold J. Haynes, Shirley M. Hufstedler, Shozo Yokogawa, Paul F. Miller, Jr., Hicks B. Waldron.

Areas of Work: Through the instrument and components group, manufactures electronic test and measurement products. These products include microwave semiconductors, light emitting diodes and fiber optic components, logic analyzers, voltmeters, frequency analyzers, power supplies, board testers, plotters, recorders, oscilloscopes, counters, frequency sources, network and signal analyzers, signal generators, automated test equipment, distance measurement instruments, component measurement equipment and microprocessor development systems. Computer and personal computation groups manufacture electronic data products. These products include small to medium scale computer systems for business, scientific and industrial applications, desktop computers, personal computers, personal scientific and business programmable calculators, data terminals, printers and disk and tape memories. The medical group manufactures medical electronic equipment. These products include continuous monitoring system for critical care patients, medical data management systems, fetal monitors, electrocardiographs and related interpretive and stress, pulmonary function analyzers, cardiac catheterization laboratory systems, blood gas measuring instruments, ultrasonic imaging systems, cardiac defibrillators and hospital supplies. Products of the analytical instrumentation group include gas chromatographs, liquid chromatographs, mass spectrometers combined with chromatographs, spectrophotometers, laboratory automation systems and integrators.

Divisions and Subsidiaries:

COMPONENTS GROUP

Microwave Semiconductor Division
350 West Trimble Road
San Jose, California 95131
(408) 263-7500

RF (radio frequency) and microwave diodes, microwave transistors, microwave components; bar-code entry products.

Optoelectronics Division
640 Page Mill Road
Palo Alto, California 94304
(415) 857-6201

Alphanumeric and LED displays, lamps, light bars and linear arrays.

Optical Communication Division
640 Page Mill Road
Palo Alto, California 94304
(415) 857-1501
Fiber-optic and optocouplers.

Southeast Asia Operation
Hewltt-Packard Malaysia
Phase I, Bayan Lepas Free Trade Zone
Penang, Malaysia
Semiconductor devices; computer memories.

DESIGN SYSTEMS GROUP

Fort Collins Systems Division
3404 East Harmony Road
Fort Collins, Colorado 80525
(303) 226-3800
Advanced, 32-bit, desktop computers, computing controllers, systems and peripheral equipment for science and engineering.

Boblingen Engineering Operation
Hewlett-Packard GmbH
Federal Republic of Germany
Mechanical computer-aided design software.

Boblingen Computer Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen
Federal Republic of Germany

Colorado Springs Division
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
(303) 598-1900
General-purpose and high-performance oscilloscopes, including automatic waveform measurement; cathode-ray tube displays; logic analyzers.

Lake Stevens Instrument Division
6330 Marine Drive
Marysville, Washington 98270
(206) 335-2000
Synthesizers and low-frequency spectrum and network analyzers for communications and electronics equipment; waveform generators and dynamic analyzers for electromechanical and mechanical systems.

Fort Collins Engineering Operation
3404 East Harmony Road
Fort Collins, Colorado 80525
(303) 226-3800
Personal technical computer software.

Logic Design Operation
Centennial Annex D-2
Colorado Springs, Colorado 80907-0617
CAD/CAM system design.

Logic Systems Division
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
Logic-development systems for microprocessor and digital products.

ELECTRONIC INSTRUMENTS GROUP

Boblingen Instrument Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen
Federal Republic of Germany
Logic signal sources and data generators; plotters and microprocessor development systems.

Colorado Springs Tech Center
1900 Garden of the Gods Road
Colorado Springs, Colorado 80901
(303) 598-1900
Analog and digital thick film hybrids for all HP divisions.

YHP Instrument Division
Yokogawa-Hewlett-Packard, Ltd.
9-1, Takakura-Cho
Hachioji-Shi
Tokyo 192, Japan
Component and semiconductor measuring instruments and systems (ICR meters, impedance analyzers, semiconductor parameter test systems) for worldwide sales and a variety of other products for the Japanese market.

Loveland Tech Center
815 Fourteeenth Street S.W.
Loveland, Colorado 80537
(303) 667-5000
Analog and digital multimeters, computers-controlled instrument systems (data-loggers, data acquisition systems, components-test instrumentation).

New Jersey Division
150 Green Pond Road
Rockaway, New Jersey 07866
(201) 627-6400
Regulated direct current laboratory and industrial power supplies, OEM (original-equipment manufacturer) modular power supplies, digitally controlled power sources, automatic-test and control-system components.

Santa Clara Division
5301 Stevens Creek Boulevard
Santa Clara, California 95050
(408) 246-4300
Electronic counters, digital IC (integrated circuit-testers, microprocessor servicing and training products, waveform recorders (transient analyzers or digital oscilloscopes), digital printers, atomic frequency and time standards, laser measurement systems, temperature and pressure measurement systems.

Santa Clara Tech Center
5301 Stevens Creek Boulevard
Santa Clara, California 95050
(408) 246-4300
Integrated circuits, and standard and custom parts, for HP's instrument divisions.

YHP Computer Operation*
Yokogawa-Hewlett-Packard, Ltd.
9-1, Takakura-Cho
Hachioji-Shi
Tokyo 192, Japan
*Part of YHP Instrument Division

MICROWAVE AND COMMUNICATIONS INSTRUMENT GROUP

Colorado Telecommunications Division
5060 Centennial Boulevard
Colorado Springs, Colorado 80933
(303) 593-8700
Transmission-test instruments for testing digital and analog parameters of voice and data channels; data-communication network test equipment (protocol analyzers and digital and analog test instruments).

Queensferry Telecommunications Division
Hewlett-Packard Ltd.
South Queensferry
West Lothian EH30 9TG
Scotland
Dedicated test and measuring instruments and systems for telecommunications in the areas of microwave radio, FDM (frequency division multiplex), voice/data, PCM/TDM (pulse code modulation/time-division multiplex); transmission-impairment measuring sets and sweep oscillators.

Queensferry Microwave Operation
South Queensferry
West Lothian EH30 9TG
Scotland
Products for mobile communications, RF (radio frequency) communications, and cellular radio.

Stanford Park Division
1501 Page Mill Road
Palo Alto, California
(415) 857-1500
Microwave signal generators and synthesizers; noise-figure meters; power meters; coaxial and waveguide measuring equipment.

Spokane Division
1620 Signal Drive TAF C-34
Spokane, Washington 99220
(509) 922-4001
RF (radio frequency) signal generators and synthesizers, RF measuring receivers and RF transceiver test equipment.

Signal Analysis Division
1212 Valley House Drive
Rohnert Park, California 94928
(707) 525-1400
Radio-frequency and microwave spectrum analyzers and related signal analysis equipment.

Network Measurements Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400
RF (radio frequency) and microwave-network analyzers (vector and scalar); sweep oscillators and synthesized sweep-signal generators.

Microwave Technology Division
1400 Fountain Grove Parkway
Santa Rosa, California 95404
(707) 525-1400
High frequency transistors and diodes, SAW (surface-acoustical-wave) devices, YIG (ytrium-iron-garnet) spheres; integrated circuits, thick and thin film circuits and microwave packages, all for HP divisions.

INFORMATION NETWORKS GROUP

Roseville Networks Division
8000 Foothills Blvd.
Roseville, California 95678
(916) 786-8000
Measurement and control automation products, HP computer I/O (input/output) cards and data communications products.

Information Networks Division
19420 Homestead Road
Cupertino, California 95014
(408) 725-8111
Data-communications hardware and software; business software tools to speed program development; automation systems and software for the "interactive office".

Colorado Networks Operations
700 71st Avenue
Greeley, Colorado 80631
(303) 356-9301
Software and hardware to connect computer products.

Grenoble Networks Division
Hewlett-Packard France
5 Rue Raymond Chanas
F-38320 Eybens
France
Industrial terminals and low-cost terminals, personal computers; data-communications hardware and software.

INFORMATION SYSTEMS GROUP

Computer Systems Division
19447 Pruneride Avenue
Cupertino, California 95014
(408) 725-8111
Business computer systems for interactive, on-line processing, data-base management and distributed data processing.

CSY Roseville Operation
8010 Foothills Boulevard
Roseville, California 95678
(916) 786-8000
Business computer systems for interactive, on-line data processing, data base management and distributed data processing.

Office Productivity Division
Hewlett-Packard Ltd.
Nine Mile Ride
Easthampstead
Wokingham, Berkshire, England
Office-systems software and support for business computer systems.

Financial Systems Operation
370 West Trimble Road
San Jose, California 95131
(408) 263-7500
Software for HP business computers.

Information Resources Operation
7995 E. Prentice
Englewood, Colorado 80111
(303) 773-1992
Software for marketing and distributing organizations.

Guadalajara Computer Operation
Monte Morelos 299
Frac, Loma Bonita
Guadalajara, Talisco 45060
Mexico
(Telephone) 532-6-22-0250
Business computers and software.

Boblingen General Systems Division
Hewlett-Packard GmbH

Herrenbergerstrasse 130
D-7030 Boblingen
Federal Republic of Germany
Programmable desktop-computer systems and peripheral equipment for European scientific and industrial applications.

Administrative Productivity Division
370 West Trimble Road
San Jose, California 95131
Administrative and applications software, including distribution and financial.

Administrative Productivity Operation*
Herrenbergerstrasse 130
D-7030 Boblingen, Federal Republic of Germany
Financial applications software.
*Part of Administrative Productivity Division.

INFORMATION TECHNOLOGY GROUP

Cupertino IC Division
11000 Wolfe Road
Cupertino, California 95014
Custom integrated circuits for HP computers, peripherals, and instruments.

Fort Collins IC Division
3403 East Harmony Road
Fort Collins, Colorado 80525

Information Technology Group
Northwest IC Division
1020 N.E. Circle Boulevard
Corvallis, Oregon 97330

COMPUTER PERIPHERALS GROUP

Boise Division
11311 Chinden Boulevard
Boise, Idaho 83707
(208) 376-6000
Impact and non-impact system line printers.

Disc Memory Division
11411 Chinden Boulevard
Boise, Idaho 83707
(208) 376-6000
Disc memory products and associated microprocessor-implemented controllers for computer systems.

Greeley Division
700 71st Avenueny Road
Greeley, Colorado 80631
(303) 356-9301
Flexible mass-storage devices; magnetic tape drives; local networking and data-communication products.

Vancouver Division
18110 S.E. 34th Street
Vancouver, Washington 98706
Word-processing, thermal, multi-purpose data-processing printers.

Computer Peripherals Bristol Division
Great Western Business Park
North Road
Yate
Bristol BS17, England
Middle-range mass storage products.

San Diego Division
16399 W. Bernardo Drive
San Diego, California 92127
(714) 487-4100
Digitizers, graphic tablets, instrumentation tape recorders, graphic plotters, recorder supplies, and X-Y, strip chart and oscillographic recorders.

PERSONAL COMPUTER GROUP

Handheld Computer and Calculator Operation
1010 N.E. Circle Boulevard
Corvallis, Oregon 97330
(503) 757-2000
Calculators for science and business; portable and handheld computers.

Portable Computer Division
1010 N.E. Circle Boulevard
Corvallis, Oregon 97330
(503) 757-2000
Personal computer systems and handheld computers and calculators.

Hewlett-Packard Do Brasil
Rua Joao Sulinski, 681
13100 - Campinas, Sao Paulo
Brazil
Scientific and business calculators and personal computers.

Hewlett-Packard Singapore Pte. Ltd.
1150 Depot Road
Singapore 0410
Personal, scientific and business calculators.

Roseville Terminals Division
3625 Cincinnati Avenue
Rocklin, California 95677
(916) 786-8000
Data terminals.

Personal Office Computer Division
978 East Arques
Sunnyvale, California 94086
(408) 735-1550
Small computers for the business market; interactive, microprocessor-implemented alphanumeric and graphics CRT (cathode-ray tube) terminals for data processing and communications.

Grenoble Personal Computer Division
Hewlett-Packard France
5 Rue Raymond Chanas
F-38320 Eybens
France
Industrial terminals and low-cost terminals.

Hewlett-Packard Puerto Rico
Highway 459 KM 1
Montana Industrial Park
Aguadilla, Puerto Rico 00603
Interactive, microprocessor-implemented alphanumeric and graphics CRT (cathode-ray tube) terminals.

Personal Software Division
3410 Central Expressway
Santa Clara, California
(408) 725-8111
Software for personal computers; computer-aided work software and common user interfaces for portable computers, terminals and workstations.

Personal Computer Group Operation
11000 Wolfe Road
Cupertino, California 95014

Personal Computer Distribution Operation
Sunnyvale, California
Manages worldwide distribution of HP personal computers and related peripherals, software, supplies and accessories.

ANALYTICAL GROUP

Avondale Division
Route 41 & Starr Road
Avondale, Pennsylvania 19311
(215) 268-2281
Gas and liquid chromatographs, automatic liquid samplers, digital integrators, analytical laboratory-data systems, chromatography columns and consumables.

Scientific Instruments Division
1601 California Avenue
Palo Alto, California
(415) 857-1501
Gas chromatograph/mass spectrometers, GC/MS data systems, UV-visible diode-array spectrophotometers.

Waldbronn Division
Hewlett-Packard GmbH
P.O. Box 1280
D-7517
Waldbronn, Federal Republic of Germany
Liquid chromatographs, gas chromatographs and analytical laboratory-data systems; liquid chromatograph detectors.

Analytical Supplies Operation
Route 41 & Starr Road
Avondale, Pennsylvania 19311
High quality gas and liquid chromatograph columns; also, distributes general supplies for the laboratory.

Laboratory Automation Systems Operation
Route 41 and Starr Road
Avondale, Pennsylvania 19311
Software and hardware to improve laboratory productivity and information management.

MANUFACTURING SYSTEMS GROUP

Data Systems Division
11000 Wolfe Road
Cupertino, California 95014
(408) 257-7000
Technical real-time computers and computer systems for factory automation, manufacturing and OEM (original equipment manufacturer) applications.

Manufacturing Productivity Division
370 West Trimble Road
San Jose, California 95131
(408) 263-7500
Software systems for manufacturing organizations, including manufacturing-application financial systems.

Manufacturing Test Division
815 Fourteenth Street S.W.
Loveland, Colorado 80537
(303) 667-5000
Analog and digital circuit-board testers.

Loveland Instrument Division
815 Fourteenth Street, S.W.
Loveland, Colorado 80537
(393) 667-5000
Analog and digital multimeters, computer-controlled instrument systems (data-loggers, data acquisition systems, components-test instrumentation).

Advanced Manufacturing Systems Operation
370 West Trimble Road
San Jose, California 95131
Computer integrated manufacturing (CIM) systems; factory automation application software products.

Panacom Automation Operation
24 Lexington Road
Waterloo, Ontario
Canada N2J323

Semiconductor Productivity Network Operation
370 West Trimble Road
San Jose, California 95131
Technical and product marketing, sales support and product development for computer-aided manufacturing systems for semiconductor manufacturers.

MEDICAL GROUP

Andover Division
3000 Minuteman Rd.
Andover, Massachusetts 01810
(617) 687-1501
Diagnostic instruments including electrocardiographs, cardiac stress-testing systems, physiological amplifiers and graphic recorders, computerized ECG data-management systems, computerized cardiac catheterization laboratory and ultrasound-imaging systems.

Boblingen Medical Division
Hewlett-Packard GmbH
Herrenbergerstrasse 130
D-7030 Boblingen
Federal Republic of Germany
Fetal/neonatal-monitoring systems and instruments for surgical and recovery-room monitoring; critical-care monitoring systems and computerized arrhythmia monitoring systems.

McMinnville Division
1700 South Baker
McMinnville, Oregon 97128
(503) 472-5101
X-ray and electron-beam systems for industrial applications and cardiac resuscitation systems such as defibrillators, monitors and recorders.

Waltham Division
175 Wyman Street
Waltham, Massachusetts 02254
(617) 890-6300
Critical-care monitoring systems for adults, computerized arrhythmia systems for adults, computerized arrhythmia monitoring systems with recall and edit capabilities, physiological transducers, patient-monitoring recorders, computerized patient data-management systems, and hospital information systems.

Health Care Productivity Operation
3000 Minuteman Road
Andover, Massachusetts 01810
Hospital information systems.

Medical Supplies Center
3000 Minuteman Road
Andover, Massachusetts 01810
Stethoscopes, electrolytes, disposable ECG (electrocardiogram) monitoring electrodes, blood-pressure transducers and

disposable transducer domes, chart papers, disposable pressure kits.

CORPORATE MARKETING

Computer Support Division
19310 Pruneridge
Sunnyvale, California 95014
(408) 996-9383
Installation, servicing and custom support for HP computer systems.

Financing and Remarketing Division
Cupertino, California
Marketing and administration for all product leasing and for resale of computers.

Computer Supplies Operation
1326 Kifer Road
Sunnyvale, California 94086
(408) 738-8856
Computer accessories, supplies, software and furniture for all HP computers.

Test and Measurement Products

Instrument Support Division
690 E. Middlefield Road
Mountain View, California 94042
(415) 969-0880
Bench service, on-site service and repairs, and systems engineering for HP instrument products.

Corporate Parts Center
333 Logue Avenue
Mountain View, California 94042
Replacement parts, exchange modules and supplies.

Instrument Products Operation
1320 Kifer Road
Sunnyvale, California 94086
Low priced instrumentation products and accessories.

Transfer Agent(s):

Harris Trust and Savings Bank
Corporate Trust Operations Division
P.O. Box 755
Chicago, Illinois 60690

Stock Exchange(s): New York, Pacific

Ticker Symbol: HWP

Number of Employees:

1985	84,000	1982	68,000
1984	82,000	1981	64,000
1983	72,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 6,505,000	$ 489,000
1984	6,044,000	665,000
1983	4,710,000	432,000
1982	4,189,000	383,000
1981	3,528,000	305,000

	No. of Com. Shares †	Earn. per Share ‡
1985	257,000,000	$ 1.91
1984	256,000,000	2.59
1983	255,000,000	1.69
1982	250,000,000	1.53
1981	246,000,000	1.24

† Adjusted to reflect stock splits.
‡ Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Test, measuring & related items	$ 2,929,000	$ 2,879,000
Electronic data products	2,880,000	2,559,000
Medical electronic equipment	448,000	377,000
Analytical instrumentation	248,000	229,000
Total	$ 6,505,000	$ 6,044,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.22	—	—
1984	0.19	—	—
1983	0.1575	—	2-for-1
1982	0.12	—	—
1981	0.11	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 3,982,000	$ 15.49
1984	3,545,000	13.85
1983	2,887,000	11.32
1982	2,349,000	9.40
1981	1,890,000	7.68

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Net sales	$ 6,505,000	$ 6,044,000
Cost of sales	3,166,000	2,865,000
Expenses	2,581,000	2,319,000
Income before taxes	$ 758,000	$ 860,000
Income taxes	269,000	313,000
Reversal of DISC taxes	—	(118,000)
Net Income	$ 489,000	$ 665,000

* Included in Costs and Expenses, Depreciation and Amortization: $299,000,000 in 1985 and $237,000,000 in 1984.

Assets
(000's)

As of Oct. 31	1985	1984
Cash & cash investments	$ 1,020,000	$ 938,000
Accts. receiv., net	1,249,000	1,180,000
*Inventories	993,000	1,023,000
Other curr. assets	80,000	60,000
Current Assets	$ 3,342,000	$ 3,201,000
#Fixed assets	2,149,000	1,868,000
Other assets	189,000	84,000
Total Assets	$ 5,680,000	$ 5,153,000

Liabilities
(000's)

Notes payable	$ 260,000	$ 217,000
Accts. payable	243,000	281,000
Empl. compensation	397,000	398,000
Accruals	302,000	162,000
Accrued taxes	174,000	264,000
Curr. Liabilities	$ 1,376,000	$ 1,322,000
Long-term debt	102,000	81,000
Deferred empl. benefits	92,000	93,000
Deferred inc. taxes	128,000	112,000
+Common stock & add. paid-in capital	780,000	775,000
Retained earnings	3,202,000	2,770,000
Total Liabilities & Shareholders' Equity	$ 5,680,000	$ 5,153,000

* At standard cost, (which approximates FIFO) not in excess of market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.65	14.23
%Net Income to Sales	7.52	11.00
%Net Income to Equity	12.28	18.76
Sales to Inventories	6.55	5.91
Debt to Equity	0.09	0.08
Working Capital	$1,966,000,000	$1,879,000,000
Current Ratio	2.43	2.42
Shareholders' Equity	$3,982,000,000	$1,545,000,000

The Hickok Electrical Instrument Company

10514 Dupont Avenue
Cleveland, Ohio 44108
(216) 541-8060

Officers: Robert D. Hickok, chairman & president; Robert L. Purcell, executive vice president; Robert L. Bauman, vice president; James F. Hughes, v.p.-manufacturing; Michael Miller, secretary.

Directors: Robert D. Hickok, chairman; Thomas H. Barton, H. Bruce Boal, Max J. Lerner, George S. Lockwood, Jr., P.H. Neville, Robert A. Nieminen, Robert L. Purcell, Harry J. Fallon, Robert L. Bauman.

Areas of Work: Develops, manufactures, and markets high technology precision indicating instruments, educational and electronic test equipment. Also develops and markets scientific and vocational training programs. Owns and operates a vocational training institute. The indicating instruments and meters produced by the company are used in the aircraft industry, laboratory research, and electronic maintenance.

Subsidiaries:

Supreme Electronics Corp.
1714-16 Carrollton
Greenwood, Mississippi 38930
(601) 453-6212
Electronic test equipment, specialized measuring devices and indicating instruments.

Hickok Teaching Systems, Inc.,
Wheeling Road
Woburn, Massachusetts 01801
(617) 935-5850
Systems to assist in the teaching of the sciences and vocational school training equipment.

Hickok Technical Institute
2012 West 25th Street
Cleveland, Ohio 44113
(216) 696-2626
Private technical school for teaching vocational skills.

Transfer Agent(s):

The Huntington National Bank
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income †
1985	$ 7,476,975	$ 71,397
1984	7,490,787	(87,559)
1983	7,108,836	(159,719)
1982	7,122,794	55,147
1981	7,473,507	(415,954)

	No. of Com. Shares +	Earn. per Share † +
1985	604,634	$ 0.12
1984	605,427	—
1983	605,427	—
1982	605,427	0.09
1981	605,427	—

(Loss)
† Including extraordinary gains of $14,700 ($0.03 per share) in 1985 and $10,800 ($0.02 per share) in 1982 and extraordinary loss of $182,166 ($0.30 per share) in 1984.
+ Based on the average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 2,087,612	$ 3.45
1984	2,019,840	3.34

1983	2,107,399	3.48
1982	2,267,118	3.74
1981	2,211,971	3.65

‡ Based on the average number of shares outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 7,476,975	$ 7,490,787
Cost of sales	4,128,434	3,846,477
Prod. develop.	509,104	602,134
Expenses	2,484,288	2,626,724
Interest expense	283,752	277,845
Income before taxes	$ 71,397	$ 137,607
Income taxes	14,700	43,000
Net Income	$ 56,697	$ 94,607
Extraord. items	14,700	(182,166)
Net Income (Loss) & extraord. items	$ 71,397	$ (87,559)

* Included in Costs and Expenses, Depreciation: $97,713 in 1985 and $96,989 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 256,995	$ 174,588
Accts. receiv., net	1,730,818	2,149,912
*Inventories	2,147,096	2,331,366
Prepaid expenses	31,195	21,163
Current Assets	$ 4,166,104	$ 4,677,029
Cash value of life insurance	52,597	37,556
#Fixed assets	597,564	611,770
Prepaid rent & other deposits	5,425	6,415
Total Assets	$ 4,821,690	$ 5,332,770

Liabilities

Notes payable	$ 1,465,000	$ 1,925,000
Long-term debt, curr.	102,668	59,450
Accts. payable	305,181	560,514
Accruals	338,403	485,752
Curr. Liabilities	$ 2,211,252	$ 3,030,716
Long-term debt	522,826	282,214
+ Common stock:		
Class A	357,262	359,607
Class B	245,820	245,820
Add. paid-in capital	1,269,188	1,270,468
Retained earnings	215,342	143,945
Total Liabilities & Shareholders' Equity	$ 4,821,690	$ 5,332,770

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.95	1.84
%Net Income to Sales	0.76	1.26
%Net Income to Equity	2.72	4.68
Sales to Inventories	3.48	3.21
Debt to Equity	1.00	1.12
Working Capital	$1,954,852	$1,646,313
Current Ratio	1.88	1.54
Shareholders' Equity	$2,087,612	$2,019,840

High Voltage Engineering Corporation

South Bedford Street
Burlington, Massachusetts 01803
(617) 272-1313

Officers: Pascal Levesque, chairman of the board, president & chief executive officer; Robert O. Svensson, v.p. & treasurer; Gordon R. Hamilton, Jr., v.p.-industrial relations; William J. Flanagan, Jr., v.p.-corporate; Donald R. Reilly, general counsel & clerk; Irene A. Doyle, asst. clerk.

Directors: Pascal Levesque, chairman; Milton P. Brown, Ernest F. Stockwell, Jr., Samuel Goldblith.

Areas of Work: Manufacturer of plastic insulation products, electrical connectors, switches, wire and cable, builders' instruments, particle accelerators and electron processing systems and scientific equipment, optical surveying and alignment instruments, hardness test equipment for metals and rubber, battery motive connectors, high current control systems and instrumentation for measurement of AC & DC current, primarily to the electrical and electronics industries.

Divisions and Subsidiaries:

Anacon/Waters Division
Marlboro, Massachusetts

Anacon (Instruments) Ltd.
Maidenhead, England

Anderson Power Products Company
Boston, Massachusetts

Specialty Connector Co., Inc.
Franklin, Indiana

Culver-Stearns Manufacturing Company
Worcester, Massachusetts

Carbolon Division
Sterling, Massachusetts

Natvar Division
Clayton, North Carolina

Berger Instruments Division
Boston, Massachusetts

Shore Instruments & Mfg. Co., Inc.
Jamaica, New York

Judd Wire Division
Turner Falls, Massachusetts

Beam Parts and Services Division
Burlington, Massachusetts

Halmar Electronics, Inc.
Columbus, Ohio

HIVEC B.V.
  High Voltage Engineering Europa B.V.
  Electronized Chemicals Europa B.V.
Amersfoort, The Netherlands
HIVEC (Ireland)
Fermoy, Ireland

Roanwell Corporation
New York, New York

Communications Division
New York, New York

KMT Corporation
Elwood, New Jersey

Acquisition(s):

Uneks Precision Plastics Co., Inc.
Danvers, Massachusetts
Produces industrial and medical plastics.

Datcon Instrument Company
East Petersburg, Pennsylvania
Manufactures gauges and other instruments which measure speed, elapsed time, pressure and other operating characteristics, particularly for off-highway vehicles.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: HVE

Number of Employees:

1985 1,467

Plant Footage:

1985 . . . . . . 1,163,200 sq. ft.

Sales and Earnings

	Net Sales +	Net Income†
1985	$ 92,032,000	$ 5,809,000
1984	101,860,000	6,931,000
1983	82,564,000	1,035,000
1982	85,305,000	1,758,000
1981	91,281,000	4,441,000

	No. of Com. Shares +	Earn. per Share + †
1985	5,187,175	$ 1.12
1984	5,285,677	1.31
1983	5,958,319	0.17
1982	6,148,203	0.29
1981	6,084,104	0.73

† Including extraordinary loss of $152,000 ($0.03 per share) in 1983.
+ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Electrical components	$ 44,403,000	$ 50,408,000
Plastics	17,150,000	26,483,000
Industrial instruments	30,479,000	24,969,000
Total	$ 92,032,000	$ 101,860,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.17	—	—
1984	0.15	—	—
1983	0.15	—	—
1982	0.15	—	—
1981	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 56,498,000	$ 10.89
1984	52,170,000	9.87
1983	51,467,000	8.64
1982	59,020,000	9.60
1981	58,291,000	9.58

‡ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales	$ 92,032	$ 101,860
Cost of sales	68,585	75,850
Expenses	16,086	16,897
Interest expense	317	930
Other income	(201)	(301)
Gain on sale of assets	(4,387)	(4,009)
Income before taxes	$ 11,632	$ 12,493
Income taxes	5,823	5,562
Net Income	$ 5,809	$ 6,931

*Included in Costs and Expenses, Depreciation and Amortization: $2,762,000 in 1985 and $3,223,000 in 1984.

Assets

	12/28/85	12/29/84
Cash	$ 2,949	$ 577
Marketable securities	4,909	4,909
Accts. receiv., net	14,343	15,204
Unbilled port. of work	2,294	1,334
*Inventories	26,333	26,513
Prepaid expenses	917	568
Current Assets	$ 51,745	$ 49,105
Long-term notes receiv.	12,572	12,564

High Voltage Engineering Corporation

#Fixed assets	20,390	20,991
Other assets	1,418	195
Intangibles	274	2,251
Total Assets	$ 86,399	$ 85,106

Liabilities
(000's)

Notes payable	$ 4,435	$ 6,500
Long-term debt, curr.	979	955
Accts. payable	4,029	4,089
Advance payments	1,972	1,182
Income taxes	324	1,010
Accrued pension exp.	641	812
Other accruals	2,594	2,758
Deferred income taxes	289	63
Curr. Liabilities	$ 15,263	$ 17,369
Long-term debt	2,200	3,058
Deferred inc. taxes	188	259
Deferred gain	12,250	12,250
+Common stock	6,224	6,224
Add paid-in capital	19,196	19,296
Retained earnings	45,833	40,904
Currency translation adjustments	(1,193)	(2,372)
Treasury stock	(13,562)	(11,882)
Total Liabilities & Shareholders' Equity	$ 86,399	$ 85,106

* At cost (FIFO & average) but not in excess of net realizable value.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.64	12.26
%Net Income to Sales	6.31	6.80
%Net Income to Equity	10.28	13.29
Sales to Inventories	3.49	3.84
Debt to Equity	0.13	0.20
Working Capital	$36,482,000	$31,736,000
Current Ratio	3.39	2.83
Shareholders' Equity	$56,498,000	$52,170,000

Hipotronics, Inc.

Route 22
Brewster, New York 10509
(914) 279-8091

Officers: Stanley G. Peschel, chairman of the board & president; Barbara P. Gaines, controller, treasurer, and secretary; Stephen S. Peschel, v.p.-sales.

Directors: Stanley G. Peschel, William J. Florence, Jr., Stephen S. Peschel, Robert R. Grew, Michael T. Peschel.

Areas of Work: Designs and manufactures high voltage devices and systems to test materials and equipment used in the transmission of electricity; also designs and manufactures test equipment and high voltage power supplies for use in the electronics industry. Products include AC/DC dielectric test systems, capacitors, DC insulation test equipment, wire sparkers, cable fault location, AC-DC hipot testers and megohmmeters, power supplies, corona test systems, automatic sequential test systems, transformers, magnet wire test systems and miscellaneous high voltage hardware and accessories.

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: HIP

Number of Employees:

1985	185	1982	171
1984	180	1981	197
1983	186		

Plant Footage:

1985	74,000 sq. ft.	1982	79,000
1984	79,000	1981	79,000
1983	79,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 16,138,964	$ 1,373,809
1984	15,939,319	978,999
1983	13,459,040	581,665
1982	17,640,440	2,479,421
1981	15,810,797	2,302,956

	No. of Com. Shares †	Earn. per Share †
1985	1,433,091	$ 0.96
1984	1,644,901	0.60
1983	2,010,472	0.29
1982	1,996,172	1.24
1981	1,993,219	1.16

† Based on the average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	0.16	—	—
1982	0.16	—	—
1981	0.13	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 6,638,463	$ 4.63
1984	6,850,398	4.16
1983	13,171,399	6.55
1982	12,584,740	6.30
1981	10,424,707	5.23

+ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Nov. 30	1985	1984
Net sales	$ 16,138,964	$ 15,939,319
Cost of sales	9,444,737	9,517,873
Expenses	4,249,010	4,642,689
Oper. profit	$ 2,445,217	$ 1,778,757
Other expense	46,408	179,358
Income before taxes	$ 2,398,809	$ 1,599,399
Income taxes	1,025,000	620,400
Net Income	$ 1,373,809	$ 978,999

* Included in Costs and Expenses. Depreciation: $341,719 in 1985 and $360,843 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	$ 41,788	$ 162,280
Accts. receiv., net	3,719,845	3,208,851
*Inventories	4,042,364	4,139,407
Prepaid expenses	69,702	38,834
Current Assets	$ 7,873,699	$ 7,549,372
#Fixed assets	2,236,393	2,333,699
Other assets	78,428	95,856
Total Assets	$ 10,188,520	$ 9,978,927

Liabilities

Long-term debt, curr.	$ 300,000	$ 300,000
Notes payable	504,007	—
Accts. payable	701,478	558,525
Accruals	635,702	503,360
Accrued payroll	186,914	170,242
Income taxes	760,130	80,649
Deferred inc. taxes	23,131	303,800
Cust. deposits	221,866	109,803
Curr. Liabilities	$ 3,333,228	$ 2,026,379
Long-term debt	75,000	900,000
Deferred inc. taxes	141,829	202,150
+Common stock	229,017	229,017
Add. paid-in capital	3,721,945	3,721,945
Retained earnings	12,568,363	11,194,554
Treasury stock	(9,880,862)	(8,295,118)
Total Liabilities & Shareholder's Equity	$ 10,188,520	$ 9,978,927

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income before Taxes to Sales	14.86	10.03
%Net Income to Sales	8.51	6.14
%Net Income to Equity	20.69	14.29
Sales to Inventories	3.99	3.85
Debt to Equity	0.16	0.18
Working Capital	$4,540,471	$5,522,993
Current Ratio	2.36	3.73
Shareholders' Equity	$6,638,463	$6,850,398

Honeywell, Inc.

Honeywell Plaza
Minneapolis, Minnesota 55408
(612) 870-5200

Officers: Edson W. Spencer, chairman of the board & chief exec. officer; James J. Renier, vice chairman; Fosten A. Boyle, v.p.-human resources; Richard J. Boyle, v.p. & group exec.-Industrial systems; Joe E. Chenoweth, exec. v.p.-international; Gerald P. Dinneen, v.p.-science & technology; James J. Verrant, v.p. & group exec.-U.S. Marketing & Services; Clinton O. Larson, v.p. & group exec.-marine systems; H. Dea Elverum, exec. v.p.-control products; Gregg E. Ericksen, v.p. & controller; William W. George, exec. v.p.-control systems; James J. Griersen, v.p. & treasurer; Robert W. Maynard, sr. v.p.-legal affairs; David R. Bergerson, v.p. & general counsel; Louis E. Navin, v.p. & chief financial and administrative officer; Matthew A. Sutton, sr. v.p.-aerospace & defense; Curtis B. Thompson, v.p. & group exec-components; Sigurd Ueland, Jr., v.p. & secretary; Richard E. Weber, v.p.-mrktg.; Warde F. Wheaton, exec. v.p.-aerospace & defense; William N. Wray, exec. v.p.-information systems; Charles W. Johnson, v.p. & group exec.-Large Computer and Manufacturing Systems; Eugene Manno, group v.p. & group exec.-Small Computer and Office Systems.

Directors: Edson W. Spencer*, chairman; Carl B. Drake, Jr.*, Louis E. Navin*, H. Brewster Atwater, Jr.*, William H. Donaldson, William H. Spoor*, James J. Renier*, David M. Lilly*, Alexander J. MacIntosh, Richard M. Bressler*, Geri M. Joseph*, E.H. Clark, Jr., Barber B. Conable, Jr., Elizabeth E. Bailey, Steven G. Rothmeier, Vincent A. Sarni.

* Member of the Executive Committee.

Divisions and Subsidiaries:

Aerospace and Defense Group

Commercial Aviation Operations
Minneapolis, Minnesota
Inertial reference flight guidance systems, air data computers, pressure ratio devices and altimeters.

Electro-Optics Division
Lexington, Massachusetts
Sensing systems in electro-optical and infrared technologies.

Military Avionics Division
Minneapolis, Minnesota
Flight control, navigation, fire control, fuel management, and communicatons systems and components. Automatic test equipment and field service engineering.

Space and Strategic Avionics Division
Clearwater, Florida
Guidance, navigation and engine control systems for spacecraft, boosters and missiles. Equipment and services for secure communications.

Defense and Marine Systems Group

Defense Systems Division
Minneapolis, Minnesota
Fire control systems, small-caliber ammunition, fuzes and mines.

Marine Systems Division
Seattle, Washington
Acoustic-sensing and sonar systems, oceanography equipment and ship positioners, and ceramic components.

Tetra Tech
Pasadena, California
Undersea products, water resource management and engineering services for offshore-oil and utility industries, marine construction and deep-sea operations.

Training and Control Systems Operations
West Covina, California
Training and simulation systems and digital control systems.

Underseas Systems Division
Minneapolis, Minnesota
Advanced development and torpedo production.

Systems and Research Center
Minneapolis, Minnesota
Systems analysis and ordnance, applied research in physical and life sciences and in information and control science.

Defense Communications and Production Division
Tampa, Florida
Military communications equipment; commercial and industrial electronic subassemblies.

Control Products

Components Group

Optoelectronics Division
Richardson, Texas
Optoelectronic, fiber-optic and encoder systems and components.

Solid State Electronics Division
Minneapolis, Minnesota
Research and engineering in microcircuits, sensors, transducers and advanced packaging.

Micro Switch Division
Freeport, Illinois
Precision electrical switches, manual controls, solid state sensors, alphanumeric and numeric keyboards.

Residential Division
Minneapolis, Minnesota
Environmental controls for residences; energy management controls and systems for small commercial buildings; commercial and light-industrial combustion controls and systems; electronic air cleaners.

Skinner Valve Division
New Britain, Connecticut
Solenoid, thermostatic radiator and pressure regulating valves.

Control Systems

Commercial Building Group

Building Services Division
Minneapolis, Minnesota
Contract maintenance of commercial building mechanical and control systems; serviceline products; building operations and energy management systems and services; customer training services.

Commercial Division
Minneapolis, Minnesota
Comfort controls, building management systems, fire-alarm and security systems.

Protection Services Division
Minneapolis, Minnesota
Central-station burglary and fire protection services for homes and commercial buildings.

Communication Services Division
Minneapolis, Minnesota
Design, installation and support services for business telephone systems.

Communication Networks Division
Dallas, Texas
Private voice network systems; tandem-switching digital equipment.

Honeywell/Ericsson Development Company
Anaheim, California
Development of voice and data communications products.

Industrial Products Group

Process Control Division
Fort Washington, Pennsylvania
Process control instrumentation; industrial machinery and equipment controls; maintenance sales and service.

Industrial Services Division
Fort Washington, Pennsylvania
Contract services for industrial control equipment and systems. Third part maintenance for CAD/CAM equipment.

Industrial Programmable Control Division
York, Pennsylvania
Programmable controllers and comunications systems for manufacturing industries.

Process Management Systems
Phoenix, Arizona
Process management systems and services for power and industrial applications.

Test Instruments Division
Denver, Colorado
Sensing and recording instruments; data acquisition systems for research laboratories and communications facilities; production testing; medical instrumentation; instrument repair and recalibration service; patient-monitoring equipment.

Medical Electronics Division
Pleasantville, New York
Catheterization laboratory systems, patient-monitoring systems, telemetry systems, cardiovascular care products and service, hospital technology services.

International

Asia-Pacific
Australia, Hong Kong, Japan, New Zealand, Singapore, Taiwan, Thailand.

Canada
Honeywell Limited
Toronto, Ontario, Canada

Europe
Honeywell Europe S.A.

Latin American Division
Minneapolis, Minnesota
Argentina, Brazil, Mexico, Puerto Rico, Venezuela.

Honeywell High-Tech Trading, Inc.
Minneapolis, Minnesota
Worldwide marketing and distribution services for small to medium sized high-technology companies. Management and support for Honeywell distributors and sales agents worldwide.

Information Systems

Application Systems Division
Boston, Massachusetts
Product development for application software and communications and networking products. Customs systems engineering. Healthcare, retail and other new business development.

U.S. Marketing & Services Group

Customer Services Division
Newton, Massachusetts
Hardware and software maintenance for computer customers in the United States.

Federal Systems Division
McLean, Virginia
Field marketing and support to U.S. government computer customers.

Information Systems Division
Waltham, Massachusetts
Field marketing and support to all commercial customers in the United States.

Digital Datacom, Inc.
Laguna Niguel, California
Manufacturing automation systems, programmable controllers.

Office Marketing Services Division
Billerica, Massachusetts
Small computer marketing and support in the United States.

Systems Group

Application Systems Division
Minneapolis, Minnesota
Worldwide planning and development for terminals and office systems products; sales of industry specific products.

Manufacturing Systems Division
Phoenix, Arizona
Planning, engineering, market planning and support for factory information systems.

Small Computer Producer Division
Billerica, Massachutsetts
Worldwide product development and engineering for small computers and office systems.

Large Computer Products Division
Phoenix, Arizona
Worldwide product planning, engineering, manufacturing and support for large computer systems.

International Group

HIS Italia
Milan, Italy
Marketing, sales, support and service for Honeywell computer systems in Italy and indirectly in Yugoslavia, Turkey and Israel. Worldwide product planning, engineering, manufacturing and support for Level 62 and DPS 4 small computer systems.

HIS Limited
Brentford, England
Marketing, sales, support and service for Honeywell computer systems in the United Kingdom and Ireland. Special applications and software systems development. Manufacturing of large and small systems.

HIS Canada/Australia/Mexico
Minneapolis, Minnesota
Marketing, sales, support and service for Honeywell computer systems in Canada, Mexico, Central America and Australia.

Science & Technology

Corporate Systems Development Division
Minneapolis, Minnesota
Systems engineering for integration of computer, communications and control systems for commercial buildings and manufacturing automation.

Physical Sciences Center
Minneapolis, Minnesota
Research in sensing and control technologies for automation.

Corporate Solid State Laboratory
Minneapolis, Minnesota
Long-range basic research in silicon integrated-circuit technology.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Eighth & Marquette
Minneapolis, Minnesota 55479

Norwest Trust Company
Tenth Floor
40 Wall Street
New York, New York 10005

Stock Exchange(s): New York, Belgium, England, France, The Netherlands and Switzerland.

Ticker Symbol: HON

Number of Employees:

1985	94,022	1982	94,062
1984	94,274	1981	96,923
1983	93,514		

Sales and Earnings

	Net Sales * (000's)	Net Income (000's)
1985	$ 6,624,600	$ 281,600
1984	6,073,600	239,000
1983	5,667,400	231,200
1982	5,387,100	272,900
1981	5,261,300	259,300

	No. of Com. Shares ‡	Earn per Share ‡
1985	45,700,000	$ 6.16
1984	46,900,000	5.10

Honeywell, Inc.

1983	45,900,000	5.03
1982	44,900,000	6.08
1981	45,600,000	5.69

* Includes computer rental and service revenue; of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Control products	$ 1,015,700	$ 1,024,500
Control systems	1,757,800	1,615,800
Aerospace & defense	1,899,200	1,608,000
Information systems	1,951,900	1,825,300
Total	$ 6,624,600	$ 6,073,600

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1985	$1.95	—	—
1984	1.90	—	—
1983	1.80	—	2-for-1
1982	1.75	—	—
1981	1.60	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$2,566,900,000	$ 56.17
1984	2,380,900,000	50.97
1983	2,313,700,000	49.37
1982	2,143,400,000	47.15
1981	2,098,000,000	45.27

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 5,754,000	$ 5,185,100
Other income	870,600	888,500
Total Revenues	$ 6,624,600	$ 6,073,600
Cost of revenues	4,366,100	3,979,800
Expenses	1,804,200	1,638,900
Interest income	(44,100)	(64,400)
Interest expense	104,400	88,400
Income before taxes	$ 394,000	$ 430,900
Income taxes	118,600	96,100
Income-cont. oper.	$ 275,400	$ 334,800
Inc. (loss)-disc. oper.	6,200	(95,800)
Net Income	$ 281,600	$ 239,000

* Included in Costs and Expenses, Depreciation: $343,900,000 in 1985 and $314,100,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. cash invest.	$ 496,600	$ 467,600
Receivables	1,138,800	1,004,500
*Inventories	1,035,600	1,089,500
Current Assets	$ 2,671,000	$ 2,561,600
Investments	393,100	400,500
#Fixed assets	1,580,500	1,432,000
Other assets	389,100	365,700
Total Assets	$ 5,033,700	$ 4,759,800

Liabilities
(000's)

Short-term debt	$ 179,300	$ 92,800
Accts. payable	261,600	273,500
Cust. advances	77,300	98,200
Accrued compen.	343,500	328,700
Accruals	550,700	498,700
Income taxes	136,300	95,500
Curr. Liabilities	$ 1,548,700	$ 1,387,400
Long-term debt	641,600	665,600
Oblig. for rental contracts	—	67,200
Deferred inc. taxes	197,400	192,100
Other liab.	79,100	66,600
+Common stock	71,100	71,200
Add. paid-in capital	675,700	683,800
Retained earnings	2,087,400	1,894,800
Treasury stock	(99,800)	(43,800)
For. curr. translation	167,500	(225,100)
Total Liabilities & Shareholders' Equity	$ 5,033,700	$ 4,759,800

* At lower of cost (weighted average) or market.
# Less accumulated depreciation.
+ $1.50 par value.

Statistical Summary

%Net Income to Equity	10.97	10.04
Debt to Equity	0.32	0.32
Working Capital	$1,122,300,000	$1,174,200,000
Current Ratio	1.72	1.85
Shareholders' Equity	$2,566,900,000	$2,380,900,000

Hughes Supply, Inc.

521 West Central Boulevard
P.O. Box 2273
Orlando, Florida 32803
(305) 841-4710

Officers: Harry C. Hughes, chairman of the board; David H. Hughes, president & chief exec. officer; William C. Wier, III, v.p. & gen. mgr.; Robert N. Blackford, secretary; William Y. Ford, v.p.-mfg.; A.S. Hall, Jr., v.p. & chief administrative officer; Jasper L. Holland, v.p. & gen. sales mgr.; Russell V. Hughes, v.p.-cost control; Vincent S. Hughes, v.p.-utilities sales; Kenneth H. Stephens, v.p. & operations mgr.; J. Stephen Zepf, treasurer & chief financial officer; Richard N. Jones, controller; Margaret F. Clark, asst. secretary.

Directors: Harry C. Hughes, chairman; Russell S. Hughes, David H. Hughes, Vincent S. Hughes, Russell V. Hughes, Herman B. McManaway, Robert N. Blackford, Clifford M. Hames.

Areas of Work: Wholesale distributor of a broad range of materials, equipment and supplies for use in the construction and mechanical trades. The major product lines distributed by the Company consist of electrical, plumbing, and electric utility equipment, contractor supplies, water and sewer products, heating and air conditioning equipment, mechanical pipe, valves and fittings and mobile home supplies.

The Company's electrical department supplies virtually everything needed for the distribution of electricity and electrical materials for commercial and residential construction and repair products. Supplies provided to electric utilities include insulators, connectors, transformers, meters, and aluminum conductor and other wire.

Transfer Agent(s):

Sun Bank, N.A.
P.O. Box 3833
Orlando, Florida 32897

Stock Exchange(s): New York

Ticker Symbol: HUG

Sales and Earnings ×

	Net Sales	Net Income
1985*	$ 324,645,000	$ 6,602,000
1984	310,470,000	6,824,000
1983	256,678,000	5,873,000
1982	201,418,000	4,393,000
1981	218,733,000	5,266,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985*	3,322,000	$ 1.99
1984	3,262,000	2.09
1983	3,078,000	1.91
1982	3,417,000	1.29
1981	3,434,000	1.53

* 53 weeks.
× Restated to include operations of Carolina Pump & Supply Corp., acquired on a pooling of interests basis.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.32	—	3-for-2
1984	0.31	—	—
1983	0.28	—	—
1982	0.27	—	—
1981	0.25	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 72,443,000	$ 21.75
1984	66,784,000	20.07
1983	59,802,000	18.45
1982	38,600,000	15.21
1981	51,229,000	14.59

‡ Adjusted to reflect stock split.

Income Account *

Year ended	1/31/86 (53 weeks)	1/25/85 ‡
Net sales	$ 324,644,609	$ 310,469,654
Cost of sales	261,611,044	249,645,148
Expenses	49,110,590	45,598,724
Prov. for doubt. accts.	1,085,001	1,138,849
Interest expense	2,458,634	3,191,939
Interest income	(742,973)	(588,655)
Other income	(1,018,404)	(1,000,432)
Income before taxes	$ 12,140,717	$ 12,484,081
Income taxes	5,539,000	5,660,500
Net Income	$ 6,601,717	$ 6,823,581

* Included in Costs and Expenses, Depreciation and Amortization: $4,746,964 in 1985 and $4,185,288 in 1984.
‡ Restated.

Assets

As of	1/31/86	1/25/85 ‡
Cash	$ 645,458	$ 425,538
Short-term invest.	955,324	851,550
Accts. receiv., net	44,009,275	39,229,552
Refundable taxes	438,251	481,110
*Inventories	53,612,910	50,201,926
Prepaid expenses	2,626,812	1,298,118
Current Assets	$ 102,268,030	$ 92,487,794
#Fixed assets	27,601,098	26,303,662
×Leased prop. under cap. leases	2,669,575	3,084,711
Other assets	1,013,578	176,155
Total Assets	$ 133,572,281	$ 122,052,322

Liabilities

Notes payable	$ —	$ 1,778,000
Long-term debt, curr.	1,146,559	1,470,633
Oblig. under cap. leases, curr.	427,002	394,217
Accts. payable	29,893,011	23,000,446
Accrued payroll	2,779,437	2,906,733
Accrued emp. ben. plan	930,000	1,026,535
Other accruals	4,410,135	2,806,421
Curr. Liabilities	$ 39,586,144	$ 33,382,985
Long-term debt	17,306,594	17,825,409
Oblig. under cap. leases	3,235,911	3,662,913
Deferred inc. taxes	1,000,726	397,288
+Common stock	3,330,808	3,326,880
Add. paid-in capital	22,285,946	22,160,738
Retained earnings	46,826,152	41,296,109
Total Liabilities & Shareholders' Equity	$ 133,572,281	$ 122,052,322

‡ Restated.
* At lower of cost (FIFO or moving average) or market.
# Less accumulated depreciation.
× Less accumulated amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.74	4.02
%Net Income to Sales	2.03	2.20
%Net Income to Equity	9.11	10.22
Sales to Inventories	6.06	6.18
Debt to Equity	0.31	0.38
Working Capital	$62,701,886	$59,104,809
Current Ratio	2.58	2.77
Shareholders' Equity	$72,442,906	$66,783,727

Humphrey, Inc.

9212 Balboa Avenue
San Diego, California 92123
(619) 565-6631

Officers: P.E. Humphrey, president & chairman of the board; R.T. Rutherford, sr. v.p.; B.L. McKie, C.R. Bonnell, A.K. Mills, vice presidents; J.L. Alviar, treasurer; D.J. Streed, secretary.

Directors: P.E. Humphrey, chairman; Romilly T. Rutherford, John R. Sorbo, Roger A. Humphrey, Raymond C. Pennington.

Areas of Work: Develops, manufactures and sells electro-fluidic, and electro-optical instruments for industry and defense. Products include vertical and directional gyroscopes, angular rate sensors, ailerometer and accelerometer switches, free gyros, rate gyros, artificial horizon gyros and repeaters accelographs, potentiometers, rate switches, stabilized platforms, flexure pivots, inertial reference systems, electric hand dryers, blowers, oceanographic components, automotive dynamic-test packages, and pendulums.

Transfer Agent(s):

California First Bank
Corporate Trust Department
P.O. Box 2529
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: HUPH (NASDAQ)

Number of Employees:

1985	234	1982	240
1984	200	1981	228
1983	225		

Plant Footage:

1984	31,950 sq. ft.	1981	31,950
1983	31,950	1980	31,950
1982	31,950		

Sales and Earnings

	Net Sales	Net Income
1985	$ 11,678,660	$ 239,710
1984	8,355,462	(453,974)
1983	12,509,740	123,604
1982	11,531,233	440,585
1981	8,924,868	243,330

	No. of Com. Shares †	Earn. per Share ‡
1985	1,000,000	$ 0.24
1984	1,000,000	—
1983	1,000,000	0.12
1982	1,000,000	0.44
1981	1,000,000	0.24

(Loss)
† Adjusted to reflect stock split.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 3,438,681	$ 3.44
1984	3,198,971	3.20
1983	3,652,945	3.65
1982	3,529,341	3.53
1981	3,088,756	3.09

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 11,678,660	$ 8,355,462
Cost of sales	8,787,093	6,793,785
Expenses	2,191,400	1,907,639
Discounts & other	90,832	84,259
Interest expense	298,625	345,753
Inc. (loss) bef. taxes	$ 310,710	$ (775,974)
Income taxes (credit)	71,000	(322,000)
Net Income (Loss)	$ 239,710	$ (453,974)

* Included in Costs and Expenses, Depreciation and Amortization: $251,186 in 1985 and $251,860 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 73,947	$ 110,098
Receiv., net	2,116,784	1,341,785
Future income tax benefits	21,000	15,000
*Inventories	5,392,450	4,062,746
Prepaid expenses	30,958	23,120
Refund. inc. taxes	—	308,655
Current Assets	$ 7,635,139	$ 5,861,404
#Fixed assets	1,166,348	1,146,478
Deposits	6,700	6,118
Cash value of life ins.	15,489	14,918
Total Assets	$ 8,823,676	$ 7,028,918

Liabilities

Notes payable	$ 2,961,822	$ 2,447,344
Long-term debt, curr.	53,476	105,110
Accts. payable	1,154,932	410,212
Accruals	265,181	237,295
Accrued commissions	216,522	229,204
Cust. deposits	308,925	—
Income taxes	76,974	—
Curr. Liabilities	$ 5,037,832	$ 3,429,165
Long-term debt	347,163	400,782
+ Common stock	1,594,667	1,594,667
Common stock warrants outstanding	1,000	1,000
Retained earnings	1,843,014	1,603,304
Total Liabilities & Shareholders' Equity	$ 8,823,676	$ 7,028,918

* At lower of cost (average or FIFO) or net realizable market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	2.66	—
%Net Income to Sales	2.05	—
%Net Income to Equity	6.97	—
Sales to Inventories	2.17	2.06
Debt to Equity	0.98	0.92
Working Capital	$2,597,307	$2,432,239
Current Ratio	1.52	1.71
Shareholders' Equity	$3,438,681	$3,198,971

IC Industries, Inc.

One Illinois Center
111 East Wacker Drive
Chicago, Illinois 60601
(312) 565-3000

Officers: William B. Johnson, chairman of the board & chief exec. officer; Boyd F. Schenk, vice chairman; C.L. Pecchenino, president & chief operating officer; Robert F. Stewart, sr. exec. v.p.; John P. Fagan, exec. v.p.-finance; Robert S. Kirby, exec. v.p.-law & administration & secretary; Bruce S. Chelberg, exec. v.p.-consumer & international affairs; Wendell W. Larsen, sr. v.p.-corp. affairs; Frank T. Westover, sr. v.p. & controller; Ronald A. Wright, sr. v.p.-human resources; Wence F. Cerne, v.p.-real estate; Charles H. Connolly, v.p.-corp. communications; J. Robert Cooper, v.p.-corp. planning & development; Charles W. Grinnell, v.p., general counsel & asst. secretary; Gary A. Lee, v.p.-governmental affairs; Alexander R. Lehmann, v.p.-investor relations; Paul M. O'Hara, v.p.-corp. finance; John F. Palmer, v.p. taxes; Ralph J. Switzer, v.p. & treasurer; Louis W. Baker, asst. v.p.-taxes; James W. Cobb, asst. v.p.-taxes; Richard D. Neece, asst. v.p.-finance systems; Christine J. Sauser, asst. v.p.-treasury operations & asst. treasurer; Byron E. Waldman, asst. v.p.-governmental affairs.

Directors: William B. Johnson, chairman; Boyd F. Schenk, C.L. Pecchenino, Archie R. Dykes, John P. Gallagher, Helen Galland, C. Jackson Grayson, Jr., Robert E. Harrah, Walter H. Helmerich, III, Harold R. Logan, Harry A. Merlo, Graham J. Morgan, George V. Myers, George T. Scharffenberger, Robert F. Stewart.

Areas of Work: The Company, through its Pneumo Abex Corporation subsidiary, is engaged in the design and manufacture of landing gears and flight controls for commercial and military aircraft. The Company is also involved in the manufacture and distribution of specialty foods and soft drinks; operation of Midas Automotive Service shops, manufacture of food service equipment; and railroad activities.

Subsidiaries:

Pneumo Abex Corporation
Pet Incorporated
Pepsi-Cola General Bottlers, Inc.
Midas International Corporation
Hussmann Corporation
Illinois Center Corp.
LaSalle Properties, Inc.
South Properties, Inc.
IC Leasing, Inc.
IC Equities, Inc.
Illinois Central Gulf Railroad

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
Stock Transfer Company
30 West Broadway
New York, New York 10007

Stock Exchange(s): New York, Midwest, Pacific, London, Amsterdam, Paris

Ticker Symbol: ICX

Number of Employees:

1985	43,050	1982	39,390
1984	43,148	1981	44,521
1983	38,283		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 4,404,600	$ 162,800
1984	3,761,400	122,800
1983	3,364,500	92,700
1982	3,307,100	47,600
1981	3,504,400	134,400

	No. of Com. Shares ‡	Earn. per Share †
1985	51,239,600	$ 3.04
1984	46,831,648	2.89
1983	33,469,134	2.37
1982	27,099,562	1.01
1981	29,784,784	3.33

+ Of continuing operatons only.
‡ Adjusted to reflect stock split.
† Based on the weighted average number of common shares and common share equivalents outstanding after deducting preferred dividends adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Commercial products	$ 1,689,500	$ 1,547,800
Consumer products	4,404,600	3,761,400
Transportation	1,020,000	1,014,500
Total	$ 4,404,600	$ 3,761,400

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.405	—	—
1984	1.27	—	2-for-1
1983	1.17	—	—
1982	1.13	—	—
1981	1.075	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1985	$ 1,638,600	$ 31.98
1984	1,477,400‡	31.55
1983	1,121,000‡	33.50
1982	992,100‡	36.61
1981	1,076,200‡	36.13

† Adjusted to reflect stock split.
‡ After allowing for preferred stock at liquidating value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales and revenues	$ 4,404,600	$ 3,761,400
Costs and expenses:		
Commercial prods.	1,541,400	1,115,800
Consmer prods.	1,499,000	1,387,800
Railroad activities	943,100	901,800
Interest expense	171,600	147,800
Other income	(14,900)	(31,900)
Income before taxes	$ 264,400	$ 240,100
Income taxes	110,200	109,200
Inc. - cont. oper.	$ 154,200	$ 130,900
Inc. (loss) - discont. oper.	8,600	(8,100)
Net Income	$ 162,800	$ 122,800

*Included in Costs and Expenses, Depreciation and Amortization: $158,100,000 in 1985 and $134,400,000 in 1984.

Assets
(000's)

As of December 31	1985	1984
Cash and equivalents	$ 241,200	$ 47,200
Accts. receiv., net	608,000	543,600
*Inventories	599,300	566,100
Transportation materials	38,600	44,700
Other curr. assets	54,900	79.900
Current Assets	$ 1,542,000	$ 1,281,500
Investments	133,300	325,300
#Fixed assets	2,527,400	2,531,900
Other assets	89,800	96,700
Goodwill	525,900	491,200
Total Assets	$ 4,818,400	$ 4,726,600

Liabilities
(000's)

Notes payable	$ 2,100	$ 129,100
Long-term debt, curr.	68,100	68,300
Accts., wages and dividends payable	363,300	347,200
Inc. taxes pay.	51,700	38,700
Accrued payroll	109,900	111,200
Accrued interest	64,200	57,500
Other accruals	196,900	193,900
Curr. Liabilities	$ 856,200	$ 945,900
Long-term debt	1,510,400	1,442,800
Deferred inc. taxes	561,100	477,300
Other liabilities	99,600	115,800
ICG redeem. pref. stock	152,500	152,500
Redeem. first pref. stock	—	53,000
+ Second prof. stock	—	28,500
+ Common stock	577,100	536,900
Retained earnings	1,184,600	1,098,400
foreign curr. transl.	(99,700)	(101,500)
Treasury stock	(23,400)	(23,000)
Total Liabilities & Shareholders' Equity	$ 4,818,400	$ 4,726,600

* At lower of cost (FIFO, average or standard) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	9.94	7.98
Debt to Equity	0.96	1.07
Working Capital	$ 685,800,000	$ 335,600,000
Current Ratio	1.80	1.35
Shareholders' Equity	$1,638,600,000	$1,539,300,000

ICOT Corporation

(formerly Microform Data Systems, Inc.)

830 Maude Avenue
P.O. Box 7248
Mountain View, California 94039
(415) 964-4635

Officers: Arnold N. Silverman, chairman of the board & president; Jon O. Hooper, executive v.p.; Peter D. Hepburn, Joel M. Becker, sr. v.p.'s; Lawrence W. Parrish, sr. v.p. finance & administration, treasurer & secretary; John M. Bloodworth, Kaivalya M. Dixit, Bruce A. Kelley, v.p.'s.

Directors: William D. Witter, Neill H. Brownstein, Donald L. Lucas, Arnold N. Silverman.

Areas of Work: The Company designs, manufactures and markets a line of terminals and data communications equipment, used principally by the airline industry. These products allow low-cost, quick retrieval of microfilm data.

Divisions:

ICOT Division
Mountain View, California
Manufactures electronic communications equipment, including automatic ticket printers for airlines.

Medical Systems Division
Supplies data management information systems for clinical laboratories and hospitals.

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ICOT (NASDAQ)

Sales and Earnings

	Net Sales	Net Income #
1985	$ 26,746,000	$ 1,565,000
1984	18,986,000	(2,341,000)
1983	17,499,000	(6,430,000)
1982	25,882,000	966,000
1981	24,927,648	877,943

	No. of Com. Shares +	Earn. per Share# +
1985	9,276,000	$ —
1984	8,925,000	—
1983	6,857,000	—
1982	7,150,000	0.14
1981	6,022,672	0.10

(Loss)
Including extraordinary credits of $447,000 ($0.06 per share) in 1982 and $386,000 ($0.06 per share) in 1981.
+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 12,161,000	$ 1.31
1984	10,465,000	1.17
1983	12,646,000	1.84
1982	5,776,000†	0.81
1981	4,313,019†	0.72

‡ Based on the weighted average number of shares outstanding.
† After allowing for preferred stock at stated values.

Income Account *

Year ended July 30	1985	1984
Net sales	$ 26,746,000	$ 18,986,000
Cost of sales	14,777,000	11,953,000
Expenses	6,928,000	6,646,000
Research & develop.	3,621,000	3,070,000
Interest income	(303,000)	(342,000)
Inc. (loss) bef. taxes	$ 1,723,000	$ (2,341,000)
Income taxes	158,000	—
Net Income (Loss)	$ 1,565,000	$ (2,341,000)

* Included in Costs and Expenses, Depreciation and Amortization: $826,000 in 1985 and $819,000 in 1984.

Assets

As of July 30	1985	1984
Cash	$ 5,316,000	$ 5,119,000
Accts. receiv., net	3,442,000	2,828,000
*Inventories	3,302,000	4,118,000
Prepaid expenses	369,000	387,000
Current Assets	$ 12,429,000	$ 12,452,000
#Fixed assets	2,624,000	2,793,000
Total Assets	$ 15,053,000	$ 15,245,000

Liabilities

Notes payable	$ —	$ 1,950,000
Long-term debt, curr.	103,000	236,000
Accts. payable & accruals	1,169,000	1,437,000
Cust. advances	840,000	620,000
Employee comp.	689,000	314,000
Curr. Liabilities	$ 2,801,000	$ 4,557,000
Long-term debt	91,000	223,000
+ Common stock	1,822,000	1,820,000
Add. paid-in capital	29,602,000	29,513,000
Retained earnings (deficit)	(19,090,000)	(20,655,000)
Notes receiv., stock purchase	(173,000)	(213,000)
Total Liabilities & Shareholders' Equity	$ 15,053,000	$ 15,245,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

Sales to Inventories	8.10	4.61
Debt to Equity	0.02	0.04
Working Capital	$ 9,628,000	$ 7,895,000
Current Ratio	4.44	2.73
Shareholders' Equity	$12,161,000	$10,465,000

Illinois Tool Works Inc.

8501 West Higgins Road
Chicago, Illinois 60631
(312) 693-3040

Illinois Tool Works Inc.

Officers: Silas S. Cathcart, chairman; Harold Byron Smith, Jr., chairman of the exec. committee; John D. Nichols, president & chief exec. officer; William S. Gemmell, v.p. & controller; Arthur M. Wright, v.p., gen. counsel & secretary; David Byron Smith, v.p. & treasurer; H. Richard Crowther, exec. v.p. & pres.-Plastiglide, Extruded Products and International Components; W. James Farrell, exec. v.p. & pres. of Specialty Mechanical & Chemical Products; Robert G. Rettig, exec. v.p. & pres.-Packaging Systems & Instruments Group; Thomas W. Buckman, v.p.-patents & technology; Steve A. Stefan, exec. v.p. & pres.-Industrial Components & Medical Products Group; Sidney H. Paige, v.p.-human resources; Michael Hudson, v.p.-public affairs; Stephen J. Kaye, v.p.-corporate communications.

Directors: Silas S. Cathcart, Edward Byron Smith, Harold Byron Smith, Jr., Omer G. Voss, Ormand J. Wade, Robert H. Strotz, Edward F. Swift, John D. Nichols, Robert C. McCormack, Edward J. Williams, Blaine J. Yarrington, Edward R. Telling.

Areas of Work: Develops and manufactures a broad range of specialty products, principally industrial components; its three major product areas are Engineered Components, Industrial Systems & Consumables, and Specialty Mechanical & Chemical Products.

Divisions and Subsidiaries:

Cortron
Elmhurst, Illinois
Electronic keyboards.

Paktron
Lynchburg, Virginia
Electronic components.

Fastex
Des Plaines, Illinois 60016
Plastic and metal components.

Buildex
Elk Grove Village, Illinois
Mineral Wells, Texas
Construction fasteners.

ITW Deltar
Mokena, Illinois
Automotive components.

Illitron
Chicago, Illinois 60645
Measuring systems and components.

Diamed
Elk Grove Village, Illinois
Medical disposables and systems.

Shakeproof/Industrial Products
Elgin, Illinois
Russellville, Kentucky
Mineral Wells, Texas
Industrial fasteners.

Shakeproof/Specialty Products
Elgin, Illinois

Shakeproof/Automotive Products
Elgin, Illinois
Lancaster, Wisconsin
Russellville, Kentucky
Automotive fasteners.

Irathane
Hibbing, Minnesota

Philadelphia Resins
Montgomeryville, Pennsylvania

Meritex (Penang) SDN. BHD.
Penang, Malaysia
Thermoplastic profile extrusions.

Plastiglide Limited
Downsview, Ontario, Canada
Plastic components.

Hi-Cone
Charleston, Illinois
Fullerton, California
Zebulon, North Carolina
Itasca, Illinois
Multi-packaging.

ITW/Eclipse
Pine Bluff, Arkansas
Detroit, Michigan
Metal cutting tools.

Spiroid
2601 North Keeler Avenue
Chicago, Illinois 60639
Special gearing.

ITW Better Formed Metals
Plastic and metal components.

ITW Data Entry Products
Keyboards and computer peripheral devices.

ITW Drills and End Mills
Perishable cutting tools.

ITW Linac
Cable handling systems.

ITW QCS Tool Systems
Tool Systems.

ITW Heartland Components

ITW Illinois Tools
ITW Southern Gage
Specialty systems & components.

Automotive Controls
Chicago, Illinois

Chronomatic
Chicago, Illinois

ITW Switches
Chicago, Illinois
Hollywood, Florida
Irvington, New Jersey

ITW Linx
Des Plaines, Illinois

ITW Nexus
Elk Grove Village, Illinois

Plastiglide
Hawthorne, California
Waterbury, Connecticut

ITW Woodworth
Ferndale, Michigan
Manufacture of work-holding devices and fixed limit gauges.

Thielex
Piscataway, New Jersey

ITW Entrex
Chicago, Illinois

ITW Fasteners Europe
ITW Buildex/Europe
ITW Shakeproof/Europe
Construction fasteners and systems and automotive and industrial fasteners.

Devcon Corporation
Wood Dale, Illinois
Automotive repair adhesives.

ITW Limited
Reading, England

ITW-Ateco G.m.b.H.
Hamburg, Germany
Letmathe, Germany
Weiden, Germany

ITW de France S.A.
Paris, France

ITW Fastex Italia, S.p.A.
Turin, Italy

W. A. Deutsher Pty Ltd.
South Oakleigh, Australia

ITW Espana S.A.
Barcelona, Spain

ITW Hi-Cone Ltd.
Mallow, Ireland

Affiliated Companies:

Nifco Inc. (32.1% owned)
Tokyo, Japan

Multipak de Venezuela C.A. (48% owned)
Caracas & Valencia, Venezuela

Computer Products, Inc. (23% owned)
Fort Lauderdale, Florida

Acquisition(s):

International Glide Manufacturing Corp.
Glendale, California
Manufactures casters and other components for the furniture industry.

Magnaflux Corporation
Chicago, Illinois
Manufactures quality control products.

Rust-Lick, Inc.
Danbury, Connecticut
Manufactures rust preventatives.

Transfer Agent(s):

Continental Illinois National Bank and Trust
Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest

Ticker Symbol: ITW

Number of Employees:

1985	7,300	1982	6,500
1984	7,800	1981	7,200
1983	7,300		

Sales and Earnings

	Oper. Revenues +	Net Income
1985	$ 596,127,000	$ 31,547,000
1984	592,253,000	60,004,000
1983	497,821,000	49,588,000
1982	446,983,000	40,090,000
1981	455,520,000	44,348,000

	No. of Com. Shares †	Earn. per Shares #
1985	25,204,398	$ 1.25
1984	25,081,206	2.40
1983	24,961,326	1.99
1982	24,593,334	1.63
1981	24,476,254	1.81

+ Includes net sales, equipment rentals and royalties.
# Based on the average number of shares outstanding, adjusted to reflect stock split.
† Adjusted to reflect stock split.

Revenue by Line of Business

	1985 (000's)	%	1984 (000's)	%
Engineered components	$251,954	42%	$258,969	44%
Industrial systems	173,696	29	169,184	28
Specialty mechanical & chem. products	171,266	29	166,029	28
Eliminations	(789)	—	(1,929)	—
Total	$596,127	100%	$592,253	100%

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1985	$0.68	—	—
1984	0.625	—	2-for-1
1983	0.58	—	—
1982	0.55	—	—
1981	0.54	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 403,439,000	$ 16.01
1984	377,557,000	15.06
1983	339,952,000	13.62
1982	301,540,000	12.26
1981	286,134,000	11.69

Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Operating revenues	$ 596,127,000	$ 592,253,000
Operating costs	390,794,000	382,592,000
Expenses	123,292,000	115,845,000
Other expense (income)	12,094,000	(4,888,000)
Income before taxes	$ 69,947,000	$ 98,704,000
Income taxes	38,400,000	38,700,000
Net Income	$ 31,547,000	$ 60,004,000

* Included in Costs and Expenses, Depreciation: $27,312,000 in 1985 and $25,742,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 6,302,000	$ 6,482,000
Marketable securities & cert. of dep.	47,511,000	59,931,000
Accts. receiv., net	97,661,000	101,204,000
*Inventories	83,068,000	82,282,000
Prepaid inc. taxes	8,136,000	8,418,000
Prepaid expenses	19,542,000	3,694,000
Current Assets	$ 262,220,000	$ 262,011,000
Investments	84,760,000	66,697,000
#Fixed assets	137,001,000	118,889,000
Other assets	37,869,000	36,356,000
Total Assets	$ 521,850,000	$ 483,953,000

Liabilities

International borrowings	$ 7,623,000	$ 6,356,000
Accts. payable	27,773,000	24,898,000
Accruals	36,025,000	33,354,000
Dividends payable	4,536,000	4,012,000
Income taxes	14,062,000	10,693,000
Curr. Liabilities	$ 90,019,000	$ 79,313,000
Long-term debt	9,995,000	11,101,000
Other liabilities	15,416,000	12,658,000
Unamortized investment tax credits	2,981,000	3,324,000
+ Common stock	59,646,000	56,267,000
Retained earnings	364,749,000	350,821,000
Treasury stock	(28,000)	(28,000)
Foreign curr. transl.	(20,928,000)	(29,503,000)
Total Liabilities & Shareholders' Equity	$ 521,850,000	$ 483,953,000

* At lower of cost or market. Cost is valued at LIFO for parent company and Devcon Corp.; all other inventories at FIFO.
# Less accumulated depreciation.
+ $3.33⅓ par value.

Statistical Summary

%Income bef. Taxes to Revenues	11.73	16.67
% Net Income to Revenues	5.29	10.13
% Net Income to Equity	7.82	15.89
Debt to Equity	0.04	0.05
Working Capital	$172,201,000	$182,698,000
Current Ratio	2.91	3.30
Shareholders' Equity	$403,439,000	$377,557,000

Image Systems, Inc.

P.O. Box 2488
11244 Playa Court
Culver City, California 90230
(213) 390-3378

Officers: M.A. Quraishi, president & chief executive officer; Joseph Papa, corporate secretary.

Directors: M.A. Quraishi, Chester H. Brandon, William S. Decker, Fred C. Mehner, Joseph Papa.

Areas of Work: The company manufactures microfiche storage retrieval and display systems. These retrieval systems can be adapted for peripheral use with computers acting as an output terminal. The company also manufactures a step and repeat camera, manual microfiche cutter, and equipment for the attachment of binary encoded clips to microfiche.

Divisions and Subsidiaries:

Image Systems Ltd.
London, England

Image Systems France
Paris, France

Transfer Agent(s):

Continental Stock Transfer
72 Reade Street
New York, N.Y. 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IMAG (NASDAQ)

Sales and Earnings

	Revenues	Net Income‡
1983	$ 2,669,000	$ (307,000)
1982	2,627,000	1,000
1981	3,249,000	117,000
1980	2,496,000	(1,072,000)
1979	4,179,000	(33,000)

	No. of Com. Shares #	Earn. per Share ‡#
1983	1,838,000	$ —
1982	5,761,000	—
1981	5,760,000	0.02
1980	1,758,000	—
1979	1,755,000	—

(Loss)
‡ Including extraordinary gains of $38,000 ($0.01 per share) in 1981 and $95,000 ($0.05 per share) in 1979.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1983	1982
Revenues:		
Prod. sales & rentals	$ 2,181,169	$ 1,857,144
Services	476,286	733,856
Interest income	11,505	35,628
Total revenues	$ 2,668,960	$ 2,626,618
Cost of sales	1,865,737	1,528,266
Expenses	1,106,472	1,069,156
Bad debt exp.	3,095	22,101
Interest expense	1,161	6,222
Net Income (Loss)	$ (307,505)	$ 873

* Included in Costs and Expenses, Depreciation and Amortization: $50,604 in 1983 and $114,904 in 1982.

Assets

As of Dec. 31	1983	1982
Cash	$ 115,000	$ 142,000
Accts. receiv., net	189,000	413,000
*Inventories	1,104,000	1,112,000
Prepaid expenses	25,000	43,000
Current Assets	$ 1,433,000	$ 1,710,000
#Fixed assets	156,000	251,000
Due from parent co.	162,000	—
Defer. charges	28,000	26,000
Total Assets	$ 1,779,000	$ 1,987,000

Liabilities

Notes payable	$ —	$ 10,000
Subord. prom. note, 6%	17,000	17,000
Accts. payable	461,000	162,000
Accrued payroll	87,000	64,000
Def. serv. revenue	89,000	89,000
Other accruals	160,000	368,000
Curr. Liabilities	$ 814,000	$ 710,000
Subord. prom. notes, 6%	1,198,000	1,198,000
+ Preferred stock	490,000	490,000
+ + Common stock	184,000	184,000
Add. paid-in capital	12,159,000	12,159,000
Retained earnings (deficit)	(13,061,000)	(12,754,000)
Curr. adjustment	(5,000)	—
Total Liabilities & Shareholders' Equity	$ 1,779,000	$ 1,987,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value; $0.91 dividend non-cumulative.
+ + $0.10 par value.

Statistical Summary

% Net Income to Sales	—	0.03
% Net Income to Equity	—	1.11
Working Capital	$ 619,000	$1,000,000
Current Ratio	1.76	2.41
Shareholders' Equity (Deficiency)	$(233,000)	$ 79,000

Industrial Acoustics Company

1160 Commerce Avenue
Bronx, New York 10462
(212) 931-8000

Officers: Martin Hirschorn, president; Frederic M. Oran, exec. v.p.; Arnold W. Kanarek, sr. v.p. & secretary; John M. Handley, sr. v.p.-market development; Ellis Singer, v.p.-medical/life sciences; Morton I. Schiff, v.p.-special products; Robert E. Schmitt, v.p.-industrial products; William E. Fry, v.p.-air conditioning; Seymour Wasserman, v.p.-engineering services; James A. Morgan, v.p.-research & development; Henry C. Lauro, v.p.-manufacturing; Kirit K. Kapadia, v.p.-finance & controller; Jasjit T. Ahluvalia, v.p.-management information systems; Robert J. Buelow, v.p.-architectural; Patric J. Waters, asst. v.p.-purchasing; Albert J. Cirulli, asst. v.p.-design services; Sudhaker Risbud, asst. v.p.-industrial engineering-Industrial Acoustics Company S.C., Inc.

Directors: Martin Hirschorn, Frederic M. Oran, George J. Sotos, Arnold W. Kanarek.

Areas of Work: Develops, manufactures and markets noise control products. These products include accoustically and fire-rated movable walls, doors and panels, studios for TV, radio and recordig, modular medical rooms, shipboard and printing plant noise control systems, quiet air handling units, test facilities for jet engines and aircraft, and clog-resistant silencers for coal-burning plants.

Subsidiaries:

Intra-Acoustics Company, Ltd.
IAC Realty Corporation
Argo of Penna., Inc.
Industrial Acoustics Company S.C., Inc.
IAC Development Corporation
Industrial Acoustics Company, GmbH
Industrial Acoustics Company, Ltd.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IACI (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 57,782,000	$ 2,406,000
1984	56,682,000	2,790,000
1983	60,106,000	3,270,000
1982	50,073,000	3,097,000
1981	51,934,000	1,428,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,940,000	$ 0.49
1984	2,942,000	1.05
1983	2,959,000	1.10
1982	2,942,000	0.95
1981	2,937,000	0.82

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.25	—	—
1984	0.25	—	—
1983	0.25	—	—
1982	0.20	—	—
1981	0.125	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 23,557,718	$ 8.01
1984	22,628,431	7.69
1983	20,601,989	6.96
1982	18,017,328	6.12

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 57,781,528	$ 56,682,313
Other income	2,592,775	2,285,911
Total income	$ 60,374,303	$ 58,968,224
Cost of sales	47,644,849	44,616,632
Expenses	9,260,964	9,191,343
Interest expense	384,198	217,818
Other expenses	928,159	757,960
Income before taxes	$ 2,156,133	$ 4,184,471
Income taxes	727,675	1,087,944
Net Income	$ 1,428,458	$ 3,096,527

* Included in Costs and Expenses, Depreciation and Amortization: $1,031,651 in 1985 and $633,552 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 952,654	$ 226,658
Short-term invest.	7,872,352	10,969,787
Accts. receiv., net	11,366,314	7,610,473
Billings on uncomp. contracts	9,844,919	4,488,960
Other curr. assets	771,175	471,477
Refundable taxes	307,664	—
*Inventories	5,385,398	5,368,562
Prepaid expenses	755,276	897,133
Current Assets	$ 33,255,752	$ 30,033,050
Investments	6,838,307	8,407,907
#Fixed assets	7,659,277	6,119,500
Defer. charges	760,745	813,965
Total Assets	$ 48,514,081	$ 45,374,422

Liabilities

	1985	1984
Long-term debt, curr.	$ 398,861	$ 385,117
Accts. payable	8,510,713	6,117,689
Accrued commissions	1,279,220	1,241,729
Accrued payroll	2,796,920	2,051,817
Other accruals	2,653,107	2,822,456
Income taxes	793,354	1,097,320
Cust. deposits	1,505,472	1,064,553
Billings on uncomp. contracts in exc. of costs	758,546	1,899,079
Curr. Liabilities	$ 18,696,193	$ 16,679,760
Cap. lease oblig.	1,308,941	1,295,381
Long-term debt	3,119,927	3,411,367
Deferred comp.	873,149	757,892
Deferred inc. taxes	958,153	601,591
+ Common stock	289,831	294,164
Add. paid-in capital	1,678,952	1,804,617
Cum. curr. trans. adjust.	(361,991)	(728,230)
Retained earnings	21,950,926	21,257,880
Total Liabilities & Shareholders' Equity	$ 48,514,081	$ 45,374,422

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	3.73	7.38
%Net Income to Sales	2.47	5.46
%Net Income to Equity	6.06	13.68
Sales to Inventories	10.73	10.56
Debt to Equity	0.20	0.23
Working Capital	$14,559,559	$13,353,290
Current Ratio	1.78	1.80
Shareholders' Equity	$23,557,718	$22,628,431

Information International, Inc.

5933 Slauson Ave
Culver City, California 90230
(213) 390-8611

Officers: Alfred L. Fenaughty, president; Robert W. Waller, v.p.-engineering; John B. Hansen, v.p.-programming; Terry N. Taugner, v.p.-finance & treasurer; James C. Callaghan, v.p.-marketing; Stephen J. A'Hearn, v.p.-sales; Leroy M. Bell, v.p.-customer support.

Directors: Joseph M. Walsh, chairman; Alfred L. Fenaughty, Robert W. Waller, Laurence S. Fordham, Joseph F. Engelberger, Oliver G. Selfridge, John McCarthy, Ronald Paolucci.

Areas of Work: Manufactures, sells and rents automated-illustrated documentation systems, including text entry and edit, photographic scanners, page layout terminals, and pagesetters.

Subsidiary:

Information International Grafix Ltd
1 Brooklands Road
Weybridge, Surrey KT13 0SD
England

Transfer Agent(s):

The Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IINT (NASDAQ)

Number of Employees:

1985	388

Plant Footage:

1985	94,000 sq. ft.

Sales and Earnings

	Revenues ‡	Net Income
1985	$ 28,355,202	$ 2,641,079
1984	28,097,952	2,464,145
1983	27,634,759	1,590,982
1982	26,007,311	1,952,351
1981	23,429,718	1,067,955

	No. of Com. Shares	Earn. per Share +
1985	2,525,552	$ 1.03
1984	2,624,918	0.94
1983	2,609,390	0.62
1982	2,514,090	0.75
1981	2,708,941	0.40

‡ Includes sales and equipment rentals; of continuing operations only.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 25,019,288	$ 9.91
1984	24,055,217	9.16
1983	21,932,427	8.41
1982	20,002,932	7.96
1981	20,147,059	7.44

Income Account *

Year ended April 30	1985	1984
Net sales	$ 21,299,903	$ 19,189,971
Equip. rentals	7,055,299	8,907,981
Total revenues	$ 28,355,202	$ 28,097,952
Cost of revenues	13,726,220	12,956,887
Expenses	13,097,458	11,740,850
Oper. profit	$ 1,531,524	$ 3,400,215
Interest income	1,423,036	1,050,546
Other income	63,321	78,944
Income before taxes	$ 3,017,881	$ 4,529,705
Income taxes	1,272,740	2,091,630
DISC tax benefit	(471,000)	—
Inc.-cont. oper.	$ 2,216,141	$ 2,438,075
Income discont. oper.	424,938	26,070
Net Income	$ 2,641,079	$ 2,464,145

* Included in Costs and Expenses, Depreciation and Amortization: $1,582,997 in 1985 and $2,039,198 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 203,711	$ 184,304
Short-term investments	14,546,718	16,620,665
Receiv., net	3,105,674	2,631,134
*Inventories	9,133,735	5,336,247
Def. inc. taxes	—	572,775
Prepaid expenses	93,236	87,562
Current Assets	$ 27,083,074	$ 25,432,687
Investments	100,000	—
Value of equip. of discont. oper.	96,000	177,396
#Fixed assets	5,274,386	6,135,215
Total Assets	$ 32,553,460	$ 31,745,298

Liabilities

	1985	1984
Customer advances	$ 2,889,546	$ 3,151,048
Accts. payable	1,211,121	823,123
Accrued payroll	1,132,431	928,709
Prof. sharing	726,300	721,100
Income taxes	476,285	1,092,377
Dividend declared	271,364	267,350
Other accruals	225,741	156,061
Curr. Liabilities	$ 6,932,788	$ 7,139,768
Def. inc. taxes	601,384	550,313
+ Common stock	663,463	656,230
Add. paid-in capital	11,311,061	10,984,599
Treasury stock	(1,428,818)	—
Cum. trans. adjust.	(168,102)	(103,562)
Retained earnings	14,641,684	12,517,950
Total Liabilities & Shareholders' Equity	$ 32,553,460	$ 31,745,298

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

	1985	1984
%Net Income to Equity	10.56	10.20
Working Capital	$20,150,286	$18,292,919
Current Ratio	3.91	3.56
Shareholders' Equity	$25,019,288	$24,055,217

Infrared Industries, Inc.

12151 Research Parkway
Orlando, Florida 32826
(305) 282-7700

Mailing address:

P.O. Box 14200
Orlando, Florida 32857

Officers: M. Lee McDaniel, president, chief executive officer & chief oper. officer; John R. March, chief financial officer; B.A. Byrd, secretary & v.p.-administration.

Directors: Hamilton O. Hauck, Michael F. Coyne, Thomas F. Coyne, M. Lee McDaniel.

Divisions:

Instruments Division
P.O. Box 989
Santa Barbara, California 93102
(805) 684-4181

Produces optical instruments, automotive exhaust gas analyzers, lenses, telescopes, mirrors, prisms, beam splitters, optical coatings, reticles and flats; temperature-measuring medical scanning and industrial scanning radiometers; integrators, blackbodies, radiation sources, low noise instrumentation, amplifiers, transistors, preamplifiers, voltage calibrators, integrators, bias supplies, modulators, infrared test consoles and colimators.

Optics Division
Santa Barbara Applied Optics
P.O. Box 989
Santa Barbara, California 93102
(805) 684-5421

Manufactures several proprietary opto-mechanical subsystems integrated into other manufacturers' products.

Detector Division
P.O. Box 14200
Orlando, Florida 32857
(305) 282-7700

Produces radiation detectors and filter wheels, specialized optical filters, interference filter sets and imaging source arrays, filter detectors, microcircuit electronics, dewars and infrared detector test consoles.

Joint Venture:

Benchmark Company

Transfer Agent(s):

Bank of America National Trust & Savings Association
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INFR (NASDAQ)

Number of Employees:

1985	223	1982	233
1984	254	1981	380
1983	262		

Plant Footage:

1985	140,000 sq. ft.	1982	N.A.
1984	140,000	1981	127,000
1983	140,000		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 13,535,000	$ 118,000
1984	14,440,000	689,000
1983	13,215,000	106,000
1982	15,397,000	655,000
1981	15,866,000	432,000

	No. of Com. Shares	Earn. per Share ‡ +
1985	1,655,242	$ 0.07
1984	1,649,492	0.41
1983	1,645,617	0.06
1982	1,394,858	0.46
1981	1,294,858	0.31

‡ Including extraordinary gain of $138,000 ($0.08 per share) in 1984.
+ Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1985	1984
Optics	$ 6,103,000	$ 6,474,000
Radiation electronics	7,432,000	7,966,000
Total	$ 13,535,000	$ 14,440,000

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 8,797,000	$ 5.31
1984	8,642,000	5.24
1983	7,229,000	4.39
1982	5,930,000	4.25
1981	5,275,000	4.07

Income Account *

Year ended April 30	1985	1984
Net sales	$ 13,535,000	$ 14,440,000
Cost of sales	9,303,000	9,736,000
Expenses	3,665,000	4,054,000
Int. expense (income)	221,000	88,000
Write-off of goodwill	595,000	—
Inc. (loss) bef. taxes	$ (249,000)	$ 562,000
Income taxes (credit)	(367,000)	11,000
Net Income	$ 118,000	$ 551,000
Extraord. credit	—	138,000
Net Income & extraord. credit	$ 118,000	$ 689,000

* Included in Costs and Expenses, Depreciation and Amortization: $621,000 in 1985 and $688,000 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 127,000	$ 301,000
Accts. receiv., net	3,253,000	3,064,000
Notes receivable	700,000	700,000
Inc. taxes refundable	569,000	—
*Inventories	4,777,000	4,528,000
Prepaid expenses	176,000	168,000
Current Assets	$ 9,602,000	$ 8,761,000
#Fixed assets	5,063,000	3,601,000
Other assets	9,000	1,680,000
Total Assets	$ 14,674,000	$ 14,042,000

Liabilities

Long-term debt, curr.	$ 910,000	$ 353,000
Accts. payable	974,000	1,030,000
Accruals	101,000	365,000
Accrued payroll	713,000	657,000
Accrued taxes	—	198,000
Customer deposits	181,000	—
Curr. Liabilities	$ 2,879,000	$ 2,603,000
Deferred income taxes	347,000	—
Long-term debt	2,651,000	2,797,000
+ Common stock	5,801,000	5,764,000
Add. paid-in capital	43,000	43,000
Retained earnings	2,953,000	2,835,000
Total Liabilities & Shareholders' Equity	$ 14,674,000	$ 14,042,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	3.82
%Net Income to Sales	0.87	4.77
%Net Income to Equity	1.34	7.97
Sales to Inventories	2.83	3.19
Debt to Equity	0.40	0.36
Working Capital	$6,723,000	$6,158,000
Current Ratio	3.34	3.37
Shareholders' Equity	$8,797,000	$8,642,000

Instron Corporation

100 Royall Street
Canton, Massachusetts 02021
(617) 828-2500

Officers: Harold Hindman, chairman of the board & chief executive officer; George S. Burr, vice chairman; Salvatore J. Vinciguerra, president & chief operating officer; Ian M. MacGregor, v.p. & managing director of Instron Limited; John G. Griffiths, v.p.-corporate technical director; Donald R. Meltzer, v.p.-finance & treasurer; Paul R. Rugo, secretary & clerk; Beryl Maddows, asst. secretary & asst. clerk; Andre P. Sampou, v.p. & gen. mgr.-Western Hemisphere operations; William E. Celeste, corp. auditor.

Directors: George S. Burr, Jr., Paul R. Rugo, John F. Betts, Nicholas J. Grant, Harold Hindman, Robert Cushman, Richard W. Young, Salvatore J. Vinciguerra.

Areas of Work: Develops, manufactures and distributes electromechanical servohydraulic, rheometric, vibration, environmental chamber and electromagnetic resonance instruments, systems and accessories for assessing the physical and mechanical characteristics of the full spectrum of the earth's materials. The Company's product line includes instruments and systems that are microprocessor or computer controlled.

Subsidiaries:

Instron Limited
High Wycombe, Bucks, England

Instron International, Ltd.
England

Instron S.A.
Buc, France

Instron Japan Company, Ltd.
Tokyo, Japan

Instron Pty., Ltd.
Melbourne, Australia

Instron Canada, Ltd.
Ontario, Canada

Equipamentos Cientificos Instron Ltda.
Sao Paulo, Brazil

Instron Asia Limited
Tokyo, Japan

Transfer Agent(s):

The First National Bank of Boston
40 Morrissey Boulevard
Boston, Massachusetts 02110

Stock Exchange(s): American

Ticker Symbol: ISN

Number of Employees:

1985	1,039	1982	1,000
1984	1,000	1981	955
1983	1,000		

Plant Footage:

1985	245,000 sq. ft.	1982	245,000
1984	245,000	1981	245,000
1983	245,000		

Sales and Earnings

	Net Sales	Net Income †
1985	$ 78,917,000	$ 4,279,000
1984	68,169,000	734,000
1983	64,199,000	2,423,000
1982	58,369,000	61,000
1981	58,124,000	1,102,000

	No. of Com. Shares +	Earn per Share #†
1985	3,001,101	$ 1.39
1984	2,985,351	0.24
1983	2,973,501	0.79
1982	2,954,721	0.02
1981	2,944,521	0.37

+ Adjusted to reflect stock splits.
# Based on the average number of shares outstanding adjusted to reflect stock splits.
† Including extraodinary gains of $148,000 ($0.05 per share) in 1983.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.197	—	3-for-2
1984	0.18	—	—
1983	0.15	—	2-for-1
1982	0.13	—	—
1981	0.13	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 23,795,000	$ 7.93
1984	18,111,000	6.07
1983	19,651,000	6.61
1982	18,981,000	6.43
1981	21,429,000	7.28

+ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 78,917,000	$ 68,169,000
Cost of sales	40,146,000	37,170,000
Expenses	29,864,000	26,869,000
Oper. profit	$ 8,907,000	$ 4,130,000
Foreign exchange	158,000	53,000
Interest expense	1,650,000	1,687,000
Other expenses	—	276,000
Income before taxes	$ 7,099,000	$ 2,114,000
Income taxes	3,272,000	1,380,000
Net Income	$ 3,827,000	$ 734,000
Extraordinary gain	452,000	—
Net Income & extraord. gain	$ 4,279,000	$ 734,000

* Included in Costs and Expenses, Depreciation: $1,515,000 in 1985 and $1,325,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,489,000	$ 663,000
Accts. receiv., net	17,592,000	14,906,000
Refund. inc. taxes	37,000	322,000
*Inventories	21,470,000	19,283,000
Prepaid expenses & other assets	660,000	772,000
Current Assets	$ 41,248,000	$ 35,946,000
#Fixed assets	12,928,000	9,443,000
Other assets	426,000	383,000
Total Assets	$ 54,602,000	$ 45,772,000

Liabilities

	1985	1984
Notes payable	$ 7,946,000	$ 7,201,000
Long-term debt, curr.	296,000	—
Accts. payable	4,718,000	4,701,000
Accruals	6,975,000	5,512,000
Income taxes	2,068,000	780,000
Advanced payments	232,000	735,000
Curr. Liabilities	$ 22,235,000	$ 18,929,000
Long-term debt	7,026,000	7,798,000
Oblig. under cap. leases	699,000	—
Deferred inc. taxes	40,000	364,000
Long-term liabilities	807,000	570,000
+Common stock	3,001,000	2,985,000
Add. paid-in capital	1,813,000	1,606,000
Retained earnings	23,583,000	19,893,000
Cum. trans. adjust.	(4,602,000)	(6,463,000)
Total Liabilities & Shareholders' Equity	$ 54,602,000	$ 45,772,000

* At lower of cost or market. Inventories valued at LIFO in U.S. & Japan; FIFO in all other countries.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Net Income to Sales	4.85	1.08
%Net Income to Equity	16.08	4.05
Sales to Inventories	3.68	3.54
Debt to Equity	0.67	0.83
Working Capital	$19,013,000	$17,017,000
Current Ratio	1.86	1.90
Shareholders' Equity	$23,795,000	$18,111,000

Instrument Systems Corporation

100 Jericho Quadrangle
Jericho, New York 11753
(516) 938-5544

Officers: Harvey R. Blau, chairman of the board; Robert Balemian, president; Myron I. Levy, v.p.; Herbert J. Fleming, v.p.; Susan E. Reilly, secretary; Patrick L. Alesia, treasurer.

Directors: Bertrand Bell, Abraham Buchman, J. Judd Cooperstein, Turner F. Caldwell, Roy Carol, J. Frank Stengel, Jr., William H. Waldorf, Robert Balemian, Harvey R. Blau, Clarence A. Hill, Jr., Robert Berman, Robert Bradley.

Areas of Work: Through its electronics subsidiary, Telephonics Corporation, the company is engaged in the manufacture of advanced electronic and multiplexed communications, principally for use by commercial and military aircraft. The company also manufactures cable handling systems and submersible hydrophones.

Buildex Incorporated (81% owned), designs, manufactures and sells specialized architectural and hardware components; also fabricates specialized metal products for commercial, industrial, institutional and residential markets.

The Lightron Corporation manufactures and markets a wide range of commercial and industrial products for the lighting and home furnishings industry, including lighting fixtures, mattresses, box springs and frames, related bedroom furniture, wood moldings, synthetic fiber batting and drapery hardware.

Also produces and distributes automatic torque converters and clutches for industrial and recreational vehicles, and a line of aluminum truck bodies.

Divisions and Subsidiaries:

Benjamin Electronic Sound Co.
790 Park Avenue
Huntington, New York 11743
(516) 673-8600
Manufactures and distributes Elac magnetic cartridges. Elac/Miracord automatic turntables.

Concord Communications System Division
790 Park Avenue
Huntington, New York 11743
(516) 673-8600
Manufactures, designs and markets home entertainment systems and industrial television products.

ISC Audio-Earth Sound Research
790 Park Avenue
Huntington, New York 11743
(516) 673-8600
Manufactures, designs and markets electronic guitar amplifiers, P.A. systems, and associated products.

ISC/Data Processing Division
789 Park Avenue
Huntington, New York 11743
(516) 549-8200
Products and services include order and invoice preparation, open order reporting, inventory control, bills of materials, accounts receivable, sales analysis, payroll, general ledgers, overhead expense report, etc.

Instrument Systems International, Inc.
State Road 686, kil. 0.5
Vega Baja, Puerto Rico
(809) 858-1440

Telephonics Division
770 Park Avenue
Huntington, New York 11743
(516) 549-6000
Manufactures, designs and markets multiplex service, entertainment, communications and control systems; airborne and ship data processing and display systems; counter-measures systems; aircraft and ship communications systems; acoustics, electromechanical systems; headsets and microphones.

Lightron Corporation
789 Park Avenue
Huntington, New York 11743
(516) 549-8202
Commercial lighting for offices, stores, factories; chandeliers, lamps and other residential lighting; bedding, molding, drapery hardware.
Bendix Mouldings, Inc.
Dixie Bedding Co.
Geringer and Sons Manufacturing Co.
Grammercy Park Lighting Co.
Auralame Mfg. Co.
Magna Metal Finishing Co.
Laurel Lamp Manufacturing Co.
O.B. Masco Drapery Hardware Company
Schiller Cordey, Inc.
Western Synthetic Felt Co.

Buildex Incorporated
789 Park Avenue
Huntington, New York 11743
(516) 549-8201
Windows, architectural metalwork, curtainwall, pipe support systems, sliding hardware; hinges, latches and institutional hardware.

Tennyson Corporation
Buildex Supply Corporation
Redco Industries
F & S Central
B-Line Metal Framing Corporation
Electrical Pipe Support Corp.
Grandor Corp.
Standard-Keil Hardware Manufacturing Co.

Lyncoach and Truck Company
231 Bypass
Troy, Alabama 36081
(205) 566-4330
Aluminum truck bodies; aluminum walk-in truck bodies; platform bodies; carnival vans; dental and x-ray coaches and trailers; special mobile units.

Salsbury Industries
1010 East 62nd Street
Los Angeles, California 90001
(213) 232-6181
Automatic clutches and torque converters for industrial and recreational vehicles.
Oneita Knitting Mills
Andrews, South Carolina
Manufactures and distributes fabrics and diversified items of apparel, both knit and woven, primarily for the private label including major chain stores.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: ISY

Sales and Earnings

	Net Sales ‡	Net Income #
1985	$ 182,470,000	$ 9,147,000
1984	115,374,000	6,592,000
1983	106,072,000	4,633,000
1982	104,273,000	(14,765,000)
1981	102,100,000	(11,407,000)

Instrument Systems Corporation

	No. of Com. Shares	Earn. per Share # +
1985	30,306,294	$ 0.33
1984	21,394,985	0.29
1983	20,734,122	0.27
1982	7,555,392	—
1981	5,340,971	—

(Loss)
‡ Of continuing operations only.
# Including extraordinary gains of $4,500,000 ($0.16 per store) in 1985, $2,800,000 ($0.12 per share) in 1984, $2,250,000 ($0.13 per share) in 1983, $2,000,000 ($0.29 per share) in 1982 and $430,000 ($0.13 per share) in 1981.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Home furnishings & furn. related products	$ 39,908,000	$ 38,780,000
Specialty hardware	17,543,000	17,979,000
Electronic comm. equipment	54,050,000	46,053,000
Textiles	60,371,000	—
Other prods.	10,598,000	12,562,000
Total	$ 182,470,000	$ 115,374,000

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 46,766,000	$ 1.54
1984	24,066,000	1.12
1983	16,479,000	0.79
1982	14,148,000	1.87
1981	10,043,050	1.88

‡ After allowing for preferred stock Second Series I at liquidation value.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 182,470,000	$ 115,374,000
Cost of sales	140,757,000	84,557,000
Expenses	32,112,000	23,881,000
Interest expense	3,505,000	1,459,000
Other income	(3,451,000)	(1,215,000)
Income bef. taxes	$ 9,547,000	$ 6,692,000
Income taxes	4,900,000	2,900,000
Net Income	$ 4,647,000	$ 3,792,000
Extraordinary gain	4,500,000	2,800,000
Net Income & extraord. gain	$ 9,147,000	$ 6,592,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,033,000 in 1985 and $2,076,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash & cash equiv.	$ 35,846,000	$ 31,973,000
Accts. receiv., net	19,134,000	16,590,000
Inc. not yet billed	1,955,000	5,093,000
*Inventories	33,840,000	26,729,000
Prepaid expenses	4,778,000	3,164,000
Current Assets	$ 95,553,000	$ 83,549,000
#Fixed assets	28,836,000	14,588,000
Other assets	11,517,000	3,164,000
Total Assets	$ 135,906,000	$ 101,301,000

Liabilities

Notes payable	$ 9,028,000	$ 3,888,000
Long-term debt, curr.	3,846,000	358,000
Accts. payable	11,380,000	9,664,000
Accruals	15,285,000	8,125,000
Curr. Liabilities	$ 39,539,000	$ 22,035,000
Long-term debt	24,501,000	36,525,000
Cap. lease oblig.	5,218,000	365,000
Liab. of emp. stock ownership plan	2,440,000	850,000
Deferred income	369,000	387,000
+ Preferred stock:		
Series A	2,000	2,000
Series I	427,000	427,000
+ Common stock	7,615,000	5,354,000
Add. paid-in capital	86,976,000	73,441,000
Deficit	(23,092,000)	(32,239,000)
Deferred comp.	(3,701,000)	(1,886,000)
Treasury stock	(2,938,000)	(2,510,000)
Redempt. val. Series A pref. stock	(700,000)	(700,000)
Receiv. offset pursuant to purchase agreement	(750,000)	(750,000)
Total Liabilities & Shareholders' Equity	$ 135,906,000	$ 101,301,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.23	5.80
%Net Income to Sales	2.55	3.29
%Net Income to Equity	14.33	9.22
Sales to Inventories	5.39	4.31
Debt to Equity	0.67	1.00
Working Capital	$56,014,000	$61,514,000
Current Ratio	2.42	3.79
Shareholders' Equity	$63,839,000	$41,139,000

Intech Incorporated

282 Brokaw Road
Santa Clara California 95050
(408) 727-0500

Officers: Leroy M. Buckler, chairman, president & chief exec. officer; Jerome C. Blair, v.p. & gen. mgr.-Instruments Division; Michael J. Carroll, v.p. & gen. mgr.-Microcircuits Division; Thomas M. Hogan, v.p., secretary & chief financial officer; Walter E. Kaelin, v.p. & gen. mgr.-Communications Division.

Directors: Leroy M. Buckler, chairman; Moritz Branger, Richard H. Finch, Thomas M. Hogan, Walter E. Kaelin, V. Paul Ricken.

Areas of Work: Designs and manufactures a wide variety of assembled electronic circuits, subsystems, systems and instruments. Custom and semi-custom analog-to-digital converters, analog electronic circuits and subsystems are sold to original equipment manufacturers and military contractors. The company also sells VHF and HF communications systems for marine and land-based communications and a logic analyzer instrument used to trouble-shoot computer systems.

Subsidiaries:

Intech Diversified, Inc.
Intech Foreign Sales Corp.
Intech International, Inc. (DISC)
Function Modules, Inc.
Stabilized Optics Corp.

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTE (NASDAQ)

Number of Employees:

1985	195	1983	134
1984	186		

Plant Footage:

1985	35,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income †
1985	$ 18,299,000	$ 1,152,000
1984	13,248,000	190,000
1983	10,468,000	314,000
1982	11,712,000	675,000
1981	10,500,000	797,000

	No. of Com. Shares	Earn. per Share †‡
1985	2,712,045	$ 0.40
1984	2,617,207	0.07
1983	2,394,707	0.11
1982	2,278,147	0.26
1981	N.A.	0.32

N.A. - Not Available.
† Including extraordinary gains of $8,000 in 1985, $21,000 ($0.01 per share) in 1984, $38,000 ($0.01 per share) in 1983, and $9,000 in 1982.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	5%	—
1984	—	5%	—
1983	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 5,578,248	$ 2.06
1984	4,571,858	1.75
1983	4,242,716	1.77
1982	3,928,565	1.72

Income Account *

Year ended Mar. 31	1985	1984
Net sales	$ 18,298,773	$ 13,248,149
Cost of sales	11,062,879	7,837,977
Expenses	5,645,369	4,672,863
Interest expense	82,107	74,750
Capital losses	—	347,214
Income before taxes	$ 1,508,418	$ 315,345
Income taxes	364,000	146,000
Net Income	$ 1,144,418	$ 169,345
Extraord. gain	8,000	21,000
Net Income & extraord. gain	$ 1,152,418	$ 190,345

* Included in Costs and Expenses, Depreciation: $392,704 in 1985 and $252,007 in 1984.

Assets

As of March 31	1985	1984
Cash & cash equiv.	$ 151,631	$ 244,391
Accts. receiv., net	2,741,071	2,366,899
Refundable taxes	—	248,450
*Inventories	3,688,200	3,300,737
Prepaid expenses	297,403	237,128
Current Assets	$ 6,878,305	$ 6,397,605
#Fixed assets	1,225,060	910,433
Other assets	105,035	87,586
Total Assets	$ 8,208,400	$ 7,395,624

Liabilities

Notes payable	$ 650,000	$ 1,055,000
Contract settlement	—	251,000
Accts. payable	895,667	694,703
Accruals	939,882	574,516
Income taxes	144,603	103,547
Curr. Liabilities	$ 2,630,152	$ 2,678,766
Deferred inc. taxes	—	145,000
+ Common stock	7,008,779	6,704,583
Accumulated deficit	(1,403,531)	(2,132,725)
Total-Liabilities & Shareholders' Equity	$ 8,208,400	$ 7,395,624

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.24	2.38
%Net Income to Sales	6.25	1.28
%Net Income to Equity	20.52	3.70
Sales to Inventories	4.96	4.01
Debt to Equity	0.12	0.23
Working Capital	$4,248,153	$3,718,839
Current Ratio	2.62	2.39
Shareholders' Equity	$5,578,248	$4,571,858

Integrated Circuits Incorporated

10301 Willows Road
Redmond, Washington 98052
(206) 882-3100

Officers: Walter P. Kistler, chairman; Phillip C. Linwick, president & chief exec. officer; Russell F. McNeill, secretary; Milton A. Woods, exec. v.p.-marketing & sales & treasurer; Peter H. van Oppen, exec. v.p.-finance & operations; Melvin O. Eide, v.p.-research & development; Harvey H. Stanley, v.p.-manufacturing.

Directors: Walter P. Kistler, chairman; Ross W. Anderson, Phillip C. Linwick, Russell F. McNeill, Peter H. van Oppen, Milton A. Woods.

Areas of Work: Designs, manufactures and markets both custom and proprietary (standard) hybrid microcircuit products for the electronics industry. These microcircuits are used commercially in memory systems, industrial controls, testing equipment, computers and computer peripherals and medical electronics equipment. Aerospace applications range from aircraft instrumentation power supplies to research uses in satellites.

Transfer Agent(s):

Seattle-First National Bank
Seattle, Washington

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ICTM (NASDAQ)

Number of Employees:

1985	295

Plant Footage:

1985	40,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 12,041,000	$ 363,000
1984	8,805,000	(355,000)
1983	6,929,000	410,000
1982	6,272,000	403,000
1981	3,655,000	194,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,604,000	$ 0.23
1984	1,591,000	—
1983	1,420,000	0.29
1982	1,243,000	0.32
1981	1,212,000	0.16

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 4,665,000	$ 2.91
1984	4,301,000	2.70

1983	4,648,000	3.27
1982	1,621,000	1.30
1981	1,218,000	1.00

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1985	1984
Net sales	$ 12,040,915	$ 8,804,733
Cost of sales	8,675,213	5,885,778
Expenses	2,292,815	1,719,294
Interest expense	370,785	255,379
Interest income	(4,279)	(271,455)
Income before taxes	$ 706,381	$ 1,215,737
Income taxes	307,000	468,000
Income from cont. oper.	$ 399,381	$ 747,737
Loss from discont. oper.	(36,331)	(1,102,500)
Net Income (Loss)	$ 363,050	$ (354,763)

* Included in Costs and Expenses, Depreciation and Amortization: $322,631 in 1985 and $211,311 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 43,387	$ 59,344
Accts. receiv., net	1,848,932	1,912,256
Refundable taxes	—	422,586
*Inventories	2,076,483	1,999,436
Deferred in. taxes	191,577	343,457
Prepaid expenses	187,550	60,263
Assets of discont. oper.	—	100,469
Current Assets	$ 4,347,929	$ 4,897,811
#Fixed assets	5,727,595	5,894,788
Equip. of discont. oper.	—	183,461
Unamort. bond costs	96,964	101,175
Total Assets	$ 10,172,488	$ 11,077,235

Liabilities

Notes payable	$ 85,000	$ 680,000
Long-term debt, curr.	164,476	172,437
Accts. payable	279,236	390,218
Accrued payroll	449,389	510,832
Accrued vacation	166,625	123,500
Income taxes	38,205	—
Other taxes	46,204	43,890
Accrued interest	43,211	50,646
Other accruals	10,003	35,000
Liab. of discont. oper.	—	535,734
Curr. Liabilities	$ 1,282,349	$ 2,542,257
Long-term debt	3,860,698	3,999,291
Deferred inc. taxes	364,927	234,223
+ Common stock	374,776	374,776
Add. paid-in capital	2,576,873	2,576,873
Retained earnings	1,712,865	1,349,815
Total Liabilities & Shareholders' Equity	$ 10,172,488	$ 11,077,235

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	7.78	—
Sales to Inventories	5.80	4.40
Debt to Equity	0.88	1.13
Working Capital	$3,065,580	$2,355,554
Current Ratio	3.39	1.93
Shareholders' Equity	$4,664,514	$4,301,464

Integrated Device Technology, Inc.

3236 Scott Boulevard
Santa Clara, California 95054
(408) 727-6116

Officers: D. John Carey, chairman, president & chief exec. officer; Maurice C. Chidlow, v.p. & chief operating officer; George F. Hwang, v.p.-engineering; Leonard C. Perham, v.p. & gen. mgr.-Static RAM Division; Joseph F. Santandrea, v.p. & gen. mgr.-Subsystems Division; Norman Godinho, v.p. & gen. mgr.-Digital Signal Processing Division; Luc O. Bauer, v.p. & division mgr.; Ralph O. Cognac, corp. director of marketing & acting v.p.-marketing & sales; Jay R. Zerfoss, chief financial officer & secretary.

Directors: D. John Carey, chairman; Norman Godinho, George F. Hwang, Carl E. Berg, Louis B. Sullivan.

Areas of Work: Designs and manufactures complex proprietary and industry-standard integrated cicuits using high-performance complimentary Metal Oxide Semiconductor (CMOS) technology. Major product areas include state Random Access Memories (RAM), Digital Signal Processing (DSP) devices, memory interface logic and subsystem assemblies. These products are used in a variety of electronics markets, ranging from the military to the telecommunications, aerospace, industrial and computer markets.

Divisions:

Static RAM Division
Salinas, California

Subsystems Division
Santa Clara, California

Digital Signal Processing Division
Santa Clara, California

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IDTI (NASDAQ)

Number of Employees:

1985	478	1983	128
1984	255	1982	73

Sales and Earnings

	Net Sales	Net Income †
1985	$ 38,392,000	$ 5,565,000
1984	14,179,000	(662,000)
1983	4,096,000	(4,684,000)
1982	91,000	(3,018,000)

	No. of Com. Shares ‡	Earn. per Share †‡
1985	13,843,000	$ 0.40
1984	9,157,000	—
1983	7,339,000	—
1982	5,115,000	—

(Loss)
† Including extraordinary gain of $2,544,000 ($0.18 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 24,959,000	$ 1.80
1984	19,106,000	2.09

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended	3/31/85	4/1/84
Net sales	$ 33,392	$ 14,179
Cost of sales	17,308	8,056

Expenses	14,595	6,393
Interest income	(809)	(322)
Interest expense	1,141	714
Income (loss) before taxes	$ 6,157	$ (662)
Income taxes	3,136	—
Net Income (Loss)	$ 3,021	$ (662)
Extraord. gain	2,544	—
Net Income (Loss) & Extraord. Gain	$ 5,565	$ (662)

* Included in Costs and Expenses, Depreciation and Amortization: $2,721,000 in 1985 and $1,257,000 in 1984.

Assets
(000's)

As of	3/31/85	4/1/84
Cash	$ 8,885	$ 13,589
Accts. receiv., net	7,413	3,784
Other receivables	3,359	—
*Inventories	4,736	2,948
Prepaid expenses	868	135
Current Assets	$ 25,261	$ 20,456
#Fixed assets	35,897	8,052
Other assets	6	6
Total Assets	$ 61,164	$ 28,514

Liabilities
(000's)

Note payable—bank	$ 4,000	$ —
Note payable—shareholder	100	—
Accts. payable	6,251	1,763
Accrued construction costs	6,500	—
Accrued payroll	1,050	519
Customer deposit	—	162
Deferred sales to distributors	498	382
Other accruals	1,565	513
Cap. lease oblig., curr.	3,461	1,280
Curr. Liabilities	$ 23,425	$ 4,619
Cap. lease oblig.	12,780	4,689
Note payable—shareholder	—	100
Notes receivable—shareholders	(27)	(39)
Accum. deficit	(3,129)	(8,694)
Total Liabilities & Shareholders' Equity	$ 61,164	$ 28,514

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	18.44	—
%Net Income to Sales	9.05	—
%Net Income to Equity	12.10	—
Sales to Inventories	7.05	4.81
Debt to Equity	0.81	0.31
Working Capital	$ 1,836,000	$15,837,000
Current Ratio	1.08	4.43
Shareholders' Equity	$24,959,000	$19,106,000

Intel Corporation

3065 Bowers Avenue
Santa Clara, California 95051
(408) 496-8935

Officers: Gordon E. Moore, chairman of the board & chief exec. officer; Robert N. Noyce, vice chairman; Andrew S. Grove, president & chief operating officer; Laurence R. Hootnick, sr. v.p.-corp. marketing; Leslie L. Vadasz, sr. v.p. & dir.-corp. strategic staff; Edward L. Gelbach, sr. v.p. & dir.-corporate sales, William W. Lattin, v.p. & gen. mgr.-Systems Group; David L. House, v.p. & gen. mgr.-Microcomputer Group; Keith L. Thomson, v.p. & asst. gen. mgr.-Systems Group; George H. Schneer, v.p. & gen. mgr.-Components Division; Harold Hughes, Jr., treasurer; Jack C. Carsten, sr. v.p. & gen. mgr.-ASIC Components; Ronald J. Whittier, v.p. & dir.-marketing; Eugene J. Flath, v.p.; Craig R. Barrett, v.p.-Components Technology & Manufacturing Group; Richard D. Boucher, v.p. & dir.-adm. group; Willard L. Kaufman, v.p. & dir.-Components Quality & Reliability; Gerhard H. Parker, v.p. & dir.-technology development; Robert W. Reed, v.p. & chief financial officer; F. Thomas Dunlap, Jr., corporate counsel & secretary; Frank C. Gill, v.p.-North American sales.

Directors: Gordon E. Moore*, Arthur Rock*, Edward L. Gelbach, Andrew S. Grove*, D. James Guzy, Richard Hodgson, Sanford Kaplan, Robert N. Noyce, Max Palevsky, Charles E. Young.

* Member of the Executive Committee.

Areas of Work: Engaged in the design, development, manufacture and sale of LSI (large scale integrated) semiconductor components and systems incorporating these components.

Transfer Agent(s):

The First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTC (NASDAQ)

Sales and Earnings

	Net Revenues	Net Income
1985	$1,364,982,000	$ 1,570,000
1984	1,629,332,000	198,189,000
1983	1,121,943,000	116,111,000
1982	899,812,000	30,046,000
1981	788,676,000	27,359,000

	No. of Com. Shares +	Earn. per Share #
1985	116,078,000	$ 0.01
1984	113,832,000	1.70
1983	111,701,000	1.05
1982	90,724,000	0.32
1981	87,532,000	0.31

+ Adjusted to reflect stock split.
# Based on the weighted average number of capital shares and capital share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$1,421,481,000	$ 12.25
1984	1,360,163,000	11.95
1983	1,121,740,000	10.04
1982	551,853,000	6.08
1981	487,817,000	5.57

# Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net revenues	$ 1,364,982	$ 1,629,332
Cost of sales	943,435	882,738
Expenses	481,716	496,144
Interest income	(54,721)	(47,699)
Inc. (loss) bef. taxes	$ (5,448)	$ 298,149
Income taxes (credit)	(7,018)	99,960
Net Income	$ 1,570	$ 198,189

* Included in Costs and Expenses, Depreciation: $166,252,000 in 1985 and $113,755,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 361,144	$ 230,652
Accts. receiv., net	305,102	354,135
*Inventories	170,758	219,314
Prepaid inc. taxes & other assets	186,906	154,217
Current Assets	$ 1,023,910	$ 958,318
#Fixed assets	848,246	778,282
Invest. & other assets	279,709	292,799
Total Assets	$ 2,151,865	$ 2,029,399

Liabilities
(000's)

Notes payable	$ 88,898	$ 65,533
Accts. payable	56,988	79,900
Accruals	85,491	116,823
Deferred income	72,421	88,413
Income taxes	2,893	39,711
Curr. Liabilities	$ 306,601	$ 390,380
Long-term debt	270,831	146,306
Deferred inc. taxes	133,956	112,690
Investment tax credits	18,906	19,860
+ Capital stock	743,325	683,577
Retained earnings	678,156	676,586
Total Liabilities & Shareholders' Equity	$ 2,151,865	$ 2,029,399

* At lower of cost (FIFO & currently adjusted standard basis) or market.
# Less accumulated depreciation and amortization.
+ No par value

Statistical Summary

%Income bef. Taxes to Revenues	—	18.30
%Net Income to Revenues	0.12	12.16
%Net Income to Equity	0.11	14.57
Debt to Equity	0.25	0.16
Working Capital	$ 717,219,000	$ 567,938,000
Current Ratio	3.34	2.45
Shareholders' Equity	$1,421,481,000	$1,360,163,000

Interdyne Company

31 S. Milpitas Boulevard
Milpitas, California 95035
(408) 943-9133

Officers: John R. Morrison, chairman of the board, chief exec. office & president; Ranga Iyengar, v.p.-engineering; Michael Krunic, v.p.-marketing; John Sullivan, v.p.-finance; Dane Nelson, v.p.-operations; William M. Ballon, secretary.

Directors: John R. Morrison, William M. Ballon, Charles Black, William Lupien, Charles H. Black.

Areas of Work: The company's business is the development, manufacture, and marketing of magnetic tape drives for use with computers as program loading, back-up, or main memory devices. These units are being designed into personal computers, portable computers, point of sale systems, and telecommunication systems.

Transfer Agent(s):

California Stock Transfer Company
Calabasas, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: IDYNC (NASDAQ)

Plant Footage:

1985	N.A.	1983	18,000
1984	46,500	1982	18,000

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 2,922,000	$ (7,462,000)
1984	—	(4,318,700)
1983	386,512	(576,637)
1982	1,024,406	76,285
1981	1,002,471	(28,335)

	No. of Com. Shares	Earn. per Share ‡†
1985	4,376,269	$ —
1984	2,809,018	—
1983	2,809,018	—
1982	1,752,018	0.04
1981	1,752,018	—

(Loss)

‡ Including extraordinary gain of $16,764 ($0.01 per share) in 1982.

† Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ —	$ —
1984	—	—
1983	1,212,644‡	0.43
1982	218,594	0.12
1981	142,309	0.08

‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended Oct. 31	1985	1984
Net sales	$ 2,922,000	$ —
Cost of sales	5,865,000	—
Expenses	2,659,000	1,770,461
Research & devel.	1,329,000	2,754,939
Interest expense (income)	531,000	(206,700)
Net Loss	$ (7,462,000)	$ (4,318,700)

* Included in Costs and Expenses, Depreciation and Amortization: $306,000 in 1985 and $83,377 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 383,000	$ 2,230,984
Receivables, net	1,122,000	—
*Inventories	826,000	358,563
Prepaid expenses	200,000	176,496
Deposit on cap. lease oblig.	400,000	—
Current Assets	$ 2,931,000	$ 2,766,043
#Fixed assets	1,174,000	726,621
Other assets	246,000	362,260
Total Assets	$ 4,351,000	$ 3,854,924

Liabilities

Note payable to director of co.	$ 1,000	$ —
Long-term debt, curr.	445,000	68,846
Accts. payable	1,115,000	643,468
Accruals	832,000	141,479
Curr. Liabilities	$ 3,392,000	$ 853,793
Capitalized lease obligations	11,000	410,685
Deferred rent	288,000	—
Convert. subord. notes	6,599,000	3,051,500
+ Preferred stock	1,758,000	1,900,000
+ + Common stock	1,094,000	702,255
+ + Common stock,Series B	—	246,791
Add. paid-in capital	5,005,000	2,972,355
Deferred compensation	(340,000)	—
Notes received from shareholders	(642,000)	(930,290)
Deficit	(12,814,000)	(5,352,165)
Total Liabilities & Shareholders' Equity	$ 4,351,000	$ 3,854,924

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ No par value.

+ + $0.25 par value.

INTERMEC Corporation

4405 Russell Road
P.O. Box 360602
Lynnwood, Washington 98046
(206) 348-2600

Officers: David B. Pivan, chairman; David C. Allais, president & chief executive officer; Ivan G. Hastler,sr. v.p.; Roger C. Palmer, v.p.-product & market development; Charles A. Anderson, v.p.-finance & treasurer; David J. Posthumus, controller; William H. Gates, secretary; Louis R. Kertesz, v.p.-human resources.

Directors: David C. Allais, David B. Pivan, Steve Sarich, Jr., Charles L. Anderson, John W. Zevenbergen.

Areas of Work: Designs, manufactures and markets bar code related products including impact and thermal printers, laser scanners, port concentrators, accessories, tags and labels. Products are used mainly in industry data capture systems such as inventory control, hospital record tracking, library circulation control, shipping/receiving, and stock/finished goods control.

Subsidiary:

INTERMEC/Ultra Print Inc.
9616 Inter Ocean Drive
Cincinnati, Ohio 45246
(513) 874-5882

Affiliates:

INTERMEC Systeme GmbH
Munich, West Germany

INTERMEC UK Ltd.
Reading, England

INTERMEC Strichcode AG
Zurich, Switzerland

Data Collection Systems, Inc.
Minneapolis, Minnesota

Transfer Agent(s):

Seattle-First National Bank
Stock Transfer Services
P.O. Box 24186
Seattle, Washington 98124

Stock Exchange(s): Over-the-Counter

Ticker Symbol: INTR (NASDAQ)

Sales and Earnings

	Net Revenues #	Net Income
1986	$ 43,089,576	$ 1,523,623
1985	40,193,871	4,008,991
1984	26,928,153	3,088,560
1983	20,727,229	2,200,571
1982	14,256,623	715,336

	No. of Com. Shares +	Earn. per Share ‡
1986	5,487,673	$ 0.28
1985	5,396,091	0.80
1984	4,510,908	0.66
1983	4,405,260	0.48
1982	4,334,354	0.16

Includes revenue from product sales, engineering services and job shop.

+ Adjusted to reflect stock split.

‡ Based on the average number of shares outstanding during the year adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 33,169,616	$ 6.04
1985	30,786,203	5.71
1984	15,437,867	3.42
1983	11,829,594	2.69
1982	9,383,355	4.33

‡ Adjusted to reflect stock split.

Income Account *

Year ended March 31	1986	1985
Net sales	$ 43,089,576	$ 40,193,871
Cost of sales	24,575,646	20,598,580
Expenses	18,849,506	14,414,506
Interest income	(1,109,199)	(788,206)
Income before taxes	$ 773,623	$ 5,968,991
Income taxes (credit)	(750,000)	1,960,000
Net Income	$ 1,523,623	$ 4,008,991

* Included in Costs and Expenses, Depreciation and Amortization: $2,263,497 in 1986 and $1,428,503 in 1985.

Assets

As of	1986	1985
Cash	$ 1,285,342	$ 5,696,818
Short-term investment	4,824,079	2,989,172
Accts. receiv., net	11,775,407	12,522,997
Accts. receiv. - affil.	679,024	804,314
Notes receivable	1,238,134	454,939
*Inventories	10,298,573	8,551,739
Prepaid expenses	164,046	123,657
Prepaid inc. taxes	—	565,000
Refund inc. taxes	2,718,946	—
Current Assets	$ 32,983,551	$ 31,708,636
#Fixed assets	6,550,135	4,740,479
Notes receivable	2,076,529	1,131,557
Invest. in affil.	1,907,974	202,693
Other assets	163,086	157,814
Total Assets	$ 43,681,275	$ 37,941,179

Liabilities

Accts. payable	$ 3,545,739	$ 3,031,954
Note payable	1,570,750	—
Accrued taxes	478,570	391,560
Accrued payroll	1,179,689	1,318,167
Deferred inc. taxes	1,502,673	—
Inc. taxes payable	—	1,174,769
Accrued warranty expense	760,000	720,000
Other liabilities	104,238	168,526
Curr. Liabilities	$ 9,141,659	$ 6,804,976
Industrial revenue bond	1,000,000	—
Deferred net taxes	370,000	350,000
+ Common stock	3,292,604	3,237,655
Add. paid-in capital	16,216,168	15,411,327
Retained earnings	13,660,844	12,137,221
Total Liabilities & Shareholders' Equity	$ 43,681,275	$ 37,941,179

* At lower of cost (currently adjusted standards) or market.

# Less accumulated depreciation and amortization.

+ $0.60 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.80	14.85
%Net Income to Sales	3.54	9.97

%Net Income to Equity	4.59	13.02
Sales to Inventories	4.18	4.70
Debt to Equity	0.05	—
Working Capital	$23,841,892	$24,903,660
Current Ratio	3.61	4.66
Shareholders' Equity	$33,169,616	$30,786,203

International Business Machines Corporation

Old Orchard Road
Armonk, New York 10504
(914) 765-1900

Officers: John R. Opel, chairman of the board; John F. Akers, president and chief executive officer; Paul J. Rizzo, vice chairman; George B. Beitzel, Ralph A. Pfeiffer, Jr., Dean P. Phypers, Kaspar V. Cassani, Ralph E. Gomory, Nicholas deB. Katzenbach, Jack D. Keuhler sr. v.p.'s; Allen J. Krowe, sr. v.p.-finance & planning; Clarence B. Rogers, Jr., C. Michael Armstrong, John E. Bertran, Frank A. Metz, Jr., sr. v.p.'s & group executives; James A. Bitonti, Ronald F. Casella, Vincent N. Cook, Edward M. Davis, James F. Manning, Victor R. Macdonald, Stephen B. Schwartz, Terry R. Lautenbach, Thomas M. Liptak, Charles P. Biggar, Edward E. Lucente, H. Mitchell Watson, Jr., Lewis M. Branscomb, Walton E. Burdick, P. Martin Foley, Charles E. McKittrick, Jr., Theodore C. Papes, Jr., William W. Eggleston, Victor J. Goldberg, David E. McKinney, John F. Williams, Carl J. Conti, Philip D. Estridge, Donato A. Evangelista, Richard T. Gerstner, Paul J. Kofmehl, Gharles E. Branscomb, William O. Grabe, Lewis W. Gray, Paul r. Low, Marvin L. Mann, M. Kenneth Oshman, Patrick A. Toole v.p.'s; George H. Conrades, Frank A. Metz Jr., v.p. & group executives; John W. Rotenstreich, treasurer; James J. Forese, v.p. and controller; John H. Grady, secretary; Bruce E. Langton, Sidney Handler, asst. treasurers; J. William Scruggs, John H. Stewart, Robert Bonchick, asst. controllers; Thomas C. Irwin, asst. secretary.

Directors: Stephen D. Bechtel, Jr.*, George B. Beitzel, Frank T. Cary*, William T. Coleman, Jr., Carla Anderson Hills, Amory Houghton, Jr.*, Nicholas deB. Katzenbach, William H. Moore*, John R. Opel*, J. Richard Munro, Paul J. Rizzo*, Harold Brown, Jack D. Kuehler, Dean P. Phypers, William W. Scranton, Irving S. Shapiro*, Richard W. Lyman, Cyrus R. Vance, James E. Burke, John F. Akers*, Thomas F. Frist, Jr.

* **Member** of the Executive Committee

Divisions:

Information Systems Group

National Distribution Division
Marketing responsibility in U.S. for selected systems and high-volume products delivered through alternate channels of distribution. Also responsible for manufacturing or procurement and marketing within the U.S. of IBM supplies and accessories.

North-Central Marketing Divison
Markets the full standard line of IBM products in its geographic area.

South-West Marketing Division
Markets the full standard line of IBM products in its geographic area.

National Service Division
Provides service for assigned products; manages services business within the U.S. and its territories, and supports IBM's marketing efforts.

Information Systems and Technology Group

Data Systems Division
Worldwide development responsibility for large, complex systems, with primary emphasis on high-performance products and associated programming, plus U.S. manufacturing responsibility for those systems. Also supplies computer components, including logic and selected memory technologies, used in products that it and other IBM divisions manufacture in the U.S.

General Technology Division
Worldwide development and United States manufacturing responsibility for the component technology requirements of the low-to-moderate price computer made by the General Systems Division and products of the Office Products Division.

Systems Technology Division
Develops and manufactures intermediate processors and printers and develops programming systems.

General Products Division
Worldwide development and United States manufacturing responsibility for computer tape units, disk files and printers.

Information Systems and Communications Group

Communication Products Division
Worldwide development and U.S. manufacturing responsibility for communications equipment, terminal products and related communications technologies and programming.

Entry Systems Division
Worlwide development and product management, and U.S. manufacturing responsibility for IBM's general purpose, low-cost, personal use computer systems and related software.

Information Systems and Products Group
Information Products Division
Markets disk packs and data modules; manufactures and markets data processing cards, magnetic tape and cards, business forms and other consumable products used in information-handling systems.

Systems Products Division
Worldwide development and United States manufacturing responsibility for central processor products including main storage, logic technologies, packaging technology, channels and cables; development and implementation of advanced design and manufacturing support systems.

Other Divisions

Federal Systems Divisions
Concentrates on advanced technology and systems for the ground-based, seaborne, airborne and spaceborne information-handling systems and control needs of the U.S. Government.

Real Estate and Construction Division
Arranges for the construction, purchasing or leasing of new company facilities.
Develops technologies of potential long-range importance.

Research Division
Brings scientific understanding to bear on areas of company interest through basic research and development of technologies of potential long-range importance.

Subsidiaries:

IBM Instruments, Inc.
Markets and services products in the analytical instruments field.

IBM Credit Corporation
Offers lease financing of IBM products, either directly or through partnerships, and finances installment receivables resulting from sales by IBM of its information processing systems and equipment to customers in the U.S. It also finances non-IBM equipment.

IBM World Trade Corporation
Conducts IBM's business outside the United States directly or through its subsidiaries.

Science Research Associates, Inc.
Develops, produces and markets textbooks, educational kits, learning systems, guidance products and testing materials and services for elementary and secondary schools, colleges and industry.

IBM World Trade Americas/Far East Corporation
Conducts IBM's business in 44 countries, including Australia, Brazil, Canada, and Japan.

IBM World Trade Europe/Middle East/Africa Corporation
Responsible for IBM operations in 77 countries, including the USSR, and the Eastern European countries.

Rolm Corporation
Has worldwide development, manufacturing and marketing responsibility for fully integrated computerized business communication systems including private branch exchanges, voice messaging systems, circuit switched data systems, desktop products, and related applications.

Transfer Agent(s):

Trust General du Canada
1100 University Street
Montreal, Quebec, Canada H3B 2G7

National Trust Company
21 King Street East
Toronto, Ontario, Canada M5C 1B3

Stock Exchange(s): New York, Phil-Balt-Wash, Pacific, Midwest, Cincinnati, Boston, Montreal, Toronto, Austria, Belgium, England, France, Japan, Switzerland, The Netherlands, West Germany.

Ticker Symbol: IBM

Number of Employees:

1985	405,535	1982	364,796
1984	394,930	1981	354,936
1983	369,545		

Sales and Earnings

	Gross Income ‡ (000's)	Net Income (000's)
1985	$ 50,056,000	$ 6,555,000
1984	45,937,000	6,582,000
1983	40,180,000	5,485,000
1982	34,364,000	4,409,000
1981	29,070,000	3,610,000

	No. of Com. Shares	Earn. per Share +
1985	615,418,262	$ 10.67
1984	612,685,539	10.77
1983	610,724,641	9.04
1982	602,406,128	7.39
1981	591,838,382	6.14

‡ Includes sales, services and rentals.
+ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$4.40	—	—
1984	4.10	—	—
1983	3.71	—	—
1982	3.44	—	—
1981	3.44	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	$ 31,990,000	$ 41.98
1984	26,489,000	43.23
1983	23,219,000	38.02
1982	19,960,000	33.13
1981	17,676,000	29.84

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 34,404,000	$ 29,753,000
Rentals & services	15,652,000	16,184,000
Total Income	$ 50,056,000	$ 45,937,000
Cost of sales	14,911,000	12,374,000
Cost of rentals & services	6,192,000	6,545,000
Expenses	17,723,000	15,787,000
Other income	(832,000)	(800,000)
Interest on debt	443,000	408,000
Income before taxes	$ 11,619,000	$ 11,623,000
Income taxes	5,064,000	5,041,000
Net Income	$ 6,555,000	$ 6,582,000

* Included in Costs and Expenses, Depreciation: $2,894,000,000 in 1985 and $2,987,000,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 896,000	$ 600,000
Marketable securities	4,726,000	3,762,000

Notes & accts. receiv., net	10,566,000	8,111,000
*Inventories	8,579,000	6,598,000
Prepaid expenses	1,303,000	1,304,000
Current Assets	$ 26,070,000	$ 20,375,000
Rental machines	1,833,000	2,950,000
#Fixed assets	17,847,000	13,413,000
Def. charges & other assets	6,884,000	6,070,000
Total Assets	$ 52,634,000	$ 42,808,000

Liabilities
(000's)

Taxes	$ 3,089,000	$ 2,668,000
Loans payable	1,293,000	834,000
Accts. payable	1,823,000	1,618,000
Compens. & benefits	2,460,000	2,223,000
Deferred income	391,000	340,000
Other accruals	2,377,000	1,957,000
Curr. Liabilities	$ 11,433,000	$ 9,640,000
Long-term debt	3,955,000	3,269,000
Other liabilities	1,353,000	1,475,000
Deferred income taxes	2,057,000	931,000
+ Common stock	5,998,000	5,800,000
Retained earnings	23,486,000	19,489,000
Trans. adjust.	(2,948,000)	(2,070,000)
Treasury stock	(47,000)	—
Total Liabilities & Shareholders' Equity	$ 42,808,000	$ 37,461,000

* At lower of average cost or market.
# Less accumulated depreciation
+ $1.25 par value

Statistical Summary

%Income bef. Taxes to Sales, Services & Rentals	23.21	25.30
%Net Income to Sales, Services & Rentals	13.10	14.33
%Net Income to Equity	20.49	24.85
Sales to Inventories	5.83	—
Debt to Equity	0.12	0.12
Working Capital	$14,637,000,000	$10,735,000,000
Current Ratio	2.28	2.11
Shareholders' Equity	$31,990,000,000	$26,489,000,000

International Controls Corp.

P.O. Box 3010
5499 North Federal Highway
Boca Raton, Florida 33431
(305) 997-7400

Officers: William H. Burgess, chairman; John Mosler, vice chairman; Elmer A. Sticco, president & chief executive officer; Jay H. Harris, exec. v.p. & chief operating officer; George L. Hebert, v.p. & treasurer; William C. Ragals, Jr., v.p., gen. counsel & secretary; Thomas W. Horan, controller.

Directors: Charles S. Desmond, Bernard Fein, H. Struve Hensel, John Mosler, William H. Burgess, Philip R. Gustlin, Jay H. Harris, Elmer A. Sticco, William M. Duke.

Subsidiaries:

All American Industries, Inc.
Boca Raton, Florida

Develops and manufactures electromechanical actuators and related components, precision forgings for military and civilian aircraft, bomb bodies and missile motor casings, and aircraft arresting gear. Also manufactures high voltage transmission towers.

All American Engineering Company
Befab-Safeland Ltd.
Anchor Metals, Inc.
Intercontinental Manufacturing Company, Inc.
AAI International Ltd.

Datron Systems, Inc.
Boca Raton, Florida

Produces microwave components for communications and military uses; electro-mechanical relays used in communication, weapons, and radar. Manufactures special electric motors and motor generator sets for the military and business, and an energy conserving steam trap.

Nicholson Division
EEMCO Division
Elektro-Metall Export GmbH
Tech Systems Corp.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): New York, Pacific

Ticker Symbol: INC

Number of Employees:

1984	1,800	1981	2,100
1983	1,700	1980	2,100
1982	1,800		

Plant Footage:

1984	1,304,000 sq ft.	1981	1,337,000
1983	1,304,000	1980	1,329,000

Sales and Earnings

	Net Sales †	Net Income ‡
1984	$ 138,104,000	$ 8,172,000
1983	107,120,000	6,316,000
1982	131,392,000	12,351,000
1981	128,871,000	7,833,000
1980	110,474,000	12,609,719

	No. of Com. Shares #	Earn. per Share ‡#
1984	3,582,000	$ 2.28
1983	3,886,389	1.63
1982	4,050,329	3.05
1981	3,760,087	2.08
1980	4,876,766	2.58

† Of continuing operations only.
‡ Including extraordinary gains of $315,000 ($0.09 per share) in 1984, $3,400,000 ($0.84 per share) in 1982, and $5,423,987 ($1.11 per share) in 1980.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1984	1983
Aerospace:		
Ordnance prods.	$ 31,944	$ 19,511
Aircraft components & systems	46,868	41,432
Electrical/electronics:		
Microwave waveguide & components	12,037	14,043
Power conversion products	11,700	9,356
Energy-related:		
Engineered prods.	5,603	4,687
Transmission	27,036	12,232
Other	2,916	5,859
Total	$ 138,104	$ 107,120

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	$0.27½	—	—
1983	0.20	—	—
1982	0.45	—	—
1981	0.10	—	—
1980	—	—	5-for-4†

† Authorized Jan., 1981.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 51,441,000	$ 14.36
1983	52,661,000	13.96
1982	48,292,000	12.68
1981	38,528,000	10.26
1980	30,875,273	8.26

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 138,104,000	$ 107,120,000
Cost of sales	108,350	84,103,000
Expenses	15,172,000	13,620,000
Interest income	(427,000)	(322,000)
Other charges (income)	458,000	(490,000)
Income before taxes	$ 14,551,000	$ 10,209,000
Income taxes	6,694,000	4,690,000
Inc.-cont. oper.	$ 7,857,000	$ 5,519,000
Inc.-discont. oper.	—	797,000
Net Income	$ 7,857,000	$ 6,316,000
Extraord. gain	315,000	—
Net Income & extraord. gain	$ 8,172,000	$ 6,316,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,492,000 in 1984 and $2,207,000 in 1983.

Assets

As of Dec. 31	1984	1983
Cash	$ 7,419,000	$ 16,683,000
Accts. & notes receiv., net	18,915,000	13,617,000
*Inventories	26,557,000	26,743,000
Other current assets	1,240,000	1,094,000
Current Assets	$ 54,131,000	$ 58,137,000
#Fixed assets	20,615,000	18,133,000
Intangibles	7,439,000	6,780,000
Other asssets	4,014,000	4,092,000
Total Assets	$ 86,199,000	$ 87,142,000

Liabilities

Long-term debt, curr.	$ 84,000	$ 132,000
Lease payments, curr.	57,000	104,000
Accts. payable	9,270,000	7,517,000
Accruals	8,253,000	7,555,000
Income taxes	2,407,000	1,975,000
Curr. Liabilities	$ 20,071,000	$ 17,283,000
Long-term debt	11,083,000	13,907,000
Lease payments	713,000	1,043,000
Deferred income	2,891,000	2,248,000
+ Common stock	421,000	421,000
Add. paid-in capital	40,343,000	40,326,000
Retained earnings	27,508,000	20,270,000
Treasury stock	(15,927,000)	(7,733,000)
Eq. adjust. from trans.	(904,000)	(623,000)
Total Liabilities & Shareholders' Equity	$ 86,199,000	$ 87,142,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.54	—
%Net Income to Sales	5.69	—
%Net Income to Equity	15.27	11.99
Sales to Inventories	5.20	4.01
Working Capital	$34,060,000	$40,854,000
Current Ratio	2.70	3.36
Shareholders' Equity	$51,441,000	$52,661,000

International Rectifier Corporation

9220 Sunset Boulevard
Los Angeles, California 90069
(213) 205-3100

Officers: Eric Lidow, president and chairman of the board; Melvin Hochberg, exec. v.p.-pharmaceuticals; Robert J. Mueller, exec. v.p.-world marketing & foreign operations; Gerald A. Koris, exec. v.p., secretary and general counsel; George H. Krause, exec. v.p.-finance & treasurer; Alan E. Lidow, v.p.

Directors: Eric Lidow, Alan Lidow, Warren B. Hayes, George Krsek, James F. Gibbons.

Areas of Work: Manufactures rectifiers, semiconductor devices, metal oxide semiconductor power transistors (MOSFETs), controls, sub-assemblies and closed loop systems, instrumentation for monitoring and controlling hydraulic systems, metallurgical alloys, and ethical pharmaceutical drugs.

Divisions and Subsidiaries:

Semiconductor Division
233 Kansas Street
El Segundo, California 90245
(213) 772-2000

Crydom Solid State Relays
1521 Grand Avenue
El Segundo, California 90245
(213) 322-4987

Rachelle Laboratories, Inc.
700 Henry Ford Avenue
Long Beach, California 90801
(213) 432-3956

Foreign Associate Companies & Subsidiaries:

International Rectifier Corporation Italiana S.p.A.
Via Privata Liguria 49
10071 Borgaro, Turin, Italy

International Rectifier GmbH
Savignystrasse 55
6000 Frankfurt/Main 1, West Germany

International Rectifier Corporation (Japan) Limited
(29% owned)
Daiei Building, 23-7, Shinjuku 3-Chome
Shinjuku-Ku, Tokyo 160, Japan

International Rectifier Company (Great Britain)
Limited
Hurst Green, Oxted
Surrey, England

International Rectifier Canada Limited
101 Bentley Street
Markham, Ontario, Canada L3R 3L1
(416) 495-1897

B.V. Diode, Laboratorium voor Electronentechniek
Hollantlaan 22
Utrecht, The Netherlands

Ruttonsha-International Rectifier Private Ltd.
(34% owned)
International House, Bombay-Agra Road
Vikhroli, Bombay 83, India

Diode Espana, S.A.
Avenida Brasil 7
Edif. Iberia Mart
Madrid, Spain

Rectificadores Internacionales, S.A.
Durazno #30, Centro Industrial, Los Olivos, La Mesa de Tijuana
Baja California, Mexico

Transfer Agent(s):

Security Pacific National Bank
333 South Hope Street
Los Angeles, California 90071

Stock Exchange(s): New York, Pacific

Ticker Symbol: IRF

Sales and Earnings

	Net Sales +	Net Income ‡
1984	$ 122,803,000	$ 8,125,000
1983	126,810,000	(15,489,000)
1982	119,181,000	(2,317,000)
1981	126,230,000	3,432,000
1980	136,623,000	5,509,000

	No. of Com. Shares †	Earn. per Share#‡
1984	7,135,361	$ 1.34
1983	5,694,406	—
1982	5,574,730	—
1981	5,556,410	0.62
1980	5,513,502	1.01

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $2,811,000 $(0.46 per share) in 1984 and extraordinary loss of $3,310,000 ($0.60 per share) in 1980.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1984	1983
Semiconductors	$ 116,706,000	$ 88,629,000
Antibiotics	6,097,000	38,181,000
Total	$ 122,803,000	$ 126,810,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1984	$ —	—	—
1983	—	—	2-for-1
1982	0.16	—	—
1981	0.16	—	—
1980	0.16	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 53,403,000	$ 7.48
1983	24,477,000	4.30
1982	39,937,000	7.16
1981	45,836,000	8.25
1980	43,082,000	7.81

‡ Adjusted to reflect stock split.

Income Account

Year ended	7/1/84	7/3/83
Net sales	$ 122,803,000	$ 126,810,000
Cost of sales	77,045,000	89,159,000
Expenses	33,831,000	35,738,000
Interest expense	3,455,000	6,388,000
Other income	(370,000)	(232,000)
Loss on dispos. of bus. line	—	11,440,000
Income (loss) before taxes	$ 8,842,000	$ (15,683,000)
Income taxes (credit)	3,528,000	(194,000)
Net Income (Loss)	$ 5,314,000	$ (15,489,000)
Extraord. gain	2,811,000	—
Net Income (Loss) & Extraord. Gain	$ 8,125,000	$ (15,489,000)

Assets

As of	7/1/84	7/3/83
Cash & short-term investments	$ 2,259,000	$ 2,397,000
Accts. receiv., net	29,368,000	24,680,000
Income tax refunds receivable	—	639,000
*Inventories	26,903,000	35,676,000
Deferred taxes	1,101,000	4,952,000
Prepaid expenses	659,000	631,000
Current Assets	$ 60,290,000	$ 68,975,000
Facil. held for sale	5,000,000	5,797,000
Long-term receiv.	862,000	1,069,000
Investments	660,000	548,000
#Fixed assets	29,857,000	26,270,000
Total Assets	$ 96,669,000	$ 102,659,000

Liabilities

Bank loans & long-term debt, curr.	$ 5,509,000	$ 8,181,000
Accts. payable	10,271,000	9,813,000
Accruals	3,830,000	5,636,000
Accrued payroll	4,065,000	4,138,000
Income taxes	442,000	278,000
Interest expense	259,000	3,055,000
Litigation award	—	3,429,000
Curr. Liabilities	$ 24,376,000	$ 34,530,000
Long-term debt	14,876,000	34,258,000
Deferred credits	1,297,000	5,059,000
Other liab.	2,717,000	4,335,000
+Common stock	7,135,000	6,094,000
Add. paid-in capital	29,171,000	9,105,000
Retained earnings	21,570,000	13,445,000
For. curr. translation	(4,473,000)	(4,167,000)
Total Liabilities & Shareholders' Equity	$ 96,669,000	$ 102,659,000

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.20	—
%Net Income to Sales	4.33	—
%Net Income to Equity	9.95	—
Sales to Inventories	4.56	3.55
Working Capital	$35,914,000	$34,445,000
Current Ratio	2.47	2.00
Shareholders' Equity	$53,403,000	$24,477,000

Ionics, Incorporated

65 Grove Street
Watertown, Massachusetts 02172
(617) 926-2500

Officers: Averell E. Daniell, chairman of the board; Arthur L. Goldstein, president; William E. Katz, Carl J. McCurdy, exec. v.p.'s; Theodore G. Papastavros, Thomas A. Kirkham, Wayne A. McRae, Edward M. Guild, Walter J. Polens, William B. Iaconelli, Kachig Kachadurian, Edgardo J. Parsi, Joseph M. Loftis, vice presidents; Harry S. Melikian, v.p. & treasurer; Robert B. Luick, clerk.

Directors: Thomas A. Kirkham, William E. Katz, Arnaud de Vitry d'Avaucourt, Averell E. Daniell*, Arthur L. Goldstein*, Robert B. Luick, Wayne A. McRae, Carl J. McCurdy, Samuel A. Goldblith, Thomas J. White*.

* Member of the Executive Committee.

Areas of Work: The principal business of the company involves the development, manufacture and sale of products, systems and services for the desalination, processing, measurement and treatment of water and other liquids, principally utilizing separations technology and related methods.

Divisions and Subsidiaries:

Global Water Services, S.A.
Panama City, Panama

Ionics Italiana S.p.A.
Piazza IV Novembre 4
20124 Milan, Italy

Watlington-Waterworks Limited (23% owned)
Devonshire, Bermuda

Ionics Iberica, S.A.
Madrid, Spain

Household Water Division
65 Grove Street
Watertown, Massachusetts 02172
(617) 926-2500

Manufacture and sale of water desalination equipment, pollution monitoring instruments, food and chemical processing equipment; research and development activities in electrochemistry and pollution control.

Bridgeville Division
P.O. Box 99
Bridgeville, Pennsylvania 15017
(412) 343-1040

Manufacture and sale of water softening and conditioning equipment, custom-fabricated components for the nuclear, food and chemical industries, and custom-designed air recovery and heat transfer systems; financing activities related to sales of domestic water softening equipment.

General Ionics, Inc.
4178 Market Street
Youngstown, Ohio 44512
Home water softener dealership.

Ionics Ultrapure Water Corporation
Campbell, California
Services ultrapure water systems for the electronics, pharmaceutical and power industries in northern California and the Southwest.

Yuasa-Ionics Co. Ltd. (50% owned)
No. 12-11, 2-Chome
Higashi-Shinbashi
Minato-ku, Tokyo 105, Japan
Supplies pollution abatement products in Japan and the Far East.

Italba, S.p.A. (66.2% owned)
Via Mauro Macchi 26
20124 Milan, Italy
Design and construction of water and waste treatment plants in Europe.

Ionics, Inc.
Hong Kong

Ionics (UK) Ltd.
London, England

Saif-Ionics (50% owned)
Damman, Saudi Arabia

Jalal-Ionics, Ltd. (40% owned)
Manama, Bahrain

Acquisition(s):

Pure Solutions
Phoenix, Arizona
Albuquerque, New Mexico
Sale and service of ultrapure water systems for the electronics and pharmaceutical industries.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American

Ticker Symbol: ION

Sales and Earnings

	Revenues	Net Income
1985	$ 68,750,000	$ 3,001,000
1984	65,003,000	4,829,000
1983	54,182,000	2,335,000
1982	62,181,000	2,553,000
1981	53,751,000	2,000,000

	No. of Com. Shares †	Earn. per Share ‡
1985	3,687,134	$ 0.95
1984	3,053,400	1.57
1983	3,020,820	0.77
1982	3,003,000	0.85
1981	2,965,535	0.68

† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 47,525,000	$ 12.89
1984	24,303,000	7.96
1983	25,842,000	8.55
1982	23,888,000	7.95
1981	21,104,000	7.12

† Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net revenues	$ 68,750,000	$ 65,003,000
Cost of sales	41,593,000	41,089,000
Expenses	19,696,000	17,914,000
Research exp.	2,274,000	2,028,000
Interest income	(71,000)	(796,000)
Equity income	(302,000)	(140,000)
Income before taxes	$ 5,560,000	$ 4,908,000
Income taxes (credit)	2,419,000	(17,000)
Minority interest	140,000	96,000
Net income	$ 3,001,000	$ 4,829,000

* Included in Costs and Expenses. Depreciation: $1,720,000 in 1985 and $1,443,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,632,000	$ 2,333,000
Comm. paper	14,764,000	7,586,000
Notes receiv., curr.	4,331,000	3,660,000
Accts. receiv., net	20,481,000	19,812,000
Other receiv.	1,162,000	308,000
*Inventories	11,226,000	11,115,000
Other assets	1,205,000	578,000
Current Assets	$ 54,801,000	$ 45,392,000
Investments	1,569,000	847,000
Notes receiv.	10,472,000	9,164,000
#Fixed assets	16,570,000	10,255,000
Other assets	966,000	602,000
Total Assets	$ 84,378,000	$ 66,260,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 1,372,000	$ 6,927,000
Accts. payable	4,123,000	3,854,000
Accruals	4,679,000	4,642,000
Customer deposits	2,212,000	3,053,000
Income taxes	3,568,000	2,653,000
Curr. Liabilities	$ 15,954,000	$ 21,129,000
Long-term debt	7,561,000	7,290,000
Deferred inc. taxes	12,521,000	12,725,000
Minority interest	817,000	813,000
+ Common stock	3,687,000	2,036,000
Add. paid-in capital	17,205,000	5,700,000
Retained earnings	27,049,000	24,048,000
Treasury stock	—	(6,789,000)
Cumulative trans. adj.	(416,000)	(692,000)
Total Liabilities & Shareholders' Equity	$ 84,378,000	$ 66,260,000

* At lower of cost (FIFO or standard cost) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Revenues	8.09	7.55
%Net Income to Revenues	4.37	7.43
%Net Income to Equity	6.31	19.87
Debt to Equity	6.12	
Working Capital	$38,847,000	$24,263,000
Current Ratio	3.43	2.15
Shareholders' Equity	$47,525,000	$24,303,000

IPM Technology, Inc.

6851 West Imperial Highway
Los Angeles, California 90045
(213) 646-2994

Officers: Seymour Kahn, president; Robert S. Goldstein, exec. v.p.; Randy Ajer, secretary & treasurer.

Directors: Seymour Kahn, Robert S. Goldstein, Marvin Goldstein, Sean Barrett.

Areas of Work: Primarily involved in electronic manufacturing and aircraft servicing. Electronic products include resistors, fusing devices, circuit breakers and audio accessories.

Divisions and Subsidiaries:

Workman Electronic Products, Inc.
Post Office Box 3828
Sarasota, Florida 33578
(813) 955-4242
Manufactures and markets a wide variety of electronic components; also fabricates plastic and fibre insulators through its division, the Electrical Insulation Company.

Mercury Service, Inc.
6851 West Imperial Highway
Los Angeles, California 90045
(213) 646-2994
Complete aircraft servicing.

Mercury Refueling, Inc.
Refuels commercial and military aircraft.

Crew Transit, Inc.
Provides transportation for airline crews.

Madison and Wall, Inc.
36 West 40th Street
New York, New York 10018
(212) 239-6570
In the business of financing equipment for the company's subsidiaries.

Transfer Agent(s):

American Stock Transfer Company
15 William Street
New York, New York 10005

Stock Exchange(s): American, Boston

Ticker Symbol: IPM

Sales and Earnings

	Net Sales †	Net Income
1985	$ 77,128,000	$ (247,036)
1984	73,242,000	651,836
1983	52,380,000	161,898
1982	58,220,000	621,759
1981	39,564,000	1,489,496

	No. of Com. Shares ‡	Earn per Share ‡
1985	2,136,956	$ —
1984	2,175,616	0.30
1983	2,184,146	0.07
1982	2,228,561	0.28
1981	1,748,969	0.85

(Loss)
† Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	10%	—
1983	—	10%	—
1982	—	—	—
1981	--	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 9,323,578	$ 4.36
1984	10,498,456	4.83
1983	9,946,243	4.55
1982	9,872,531	4.43
1981	9,648,874	5.52

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock split.

IPM Technology, Inc.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 77,127,629	$ 73,242,150
Cost of sales	70,295,744	67,723,914
Expenses	5,822,843	4,606,652
Prov. for bad debt	703,556	263,646
Interest expense	1,125,789	661,356
Minority interest	(22,587)	(7,909)
Other income	(382,680)	(861,345)
Inc. (loss) bef. taxes	$ (415,036)	$ 855,836
Income taxes (credit)	(314,000)	204,000
Inc. (loss)-cont. oper.	$ (101,036)	$ 651,836
Loss-discont. oper.	(146,000)	—
Net Income (Loss)	$ (247,036)	$ 651,836

* Included in Costs and Expenses, Depreciation, Amortization and Depletion: $1,803,653 in 1985 and $1,440,127 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 1,062,831	$ 5,284,844
Accts. receiv., net	8,442,542	8,264,136
*Inventories	2,439,735	2,478,704
Prepaid expenses	1,122,305	665,523
Current Assets	$ 13,067,413	$ 16,693,207
#Fixed assets	13,264,048	11,587,096
Other assets	1,871,110	2,039,898
Total Assets	$ 28,202,571	$ 30,320,201

Liabilities

	1985	1984
Notes payable	$ 41,411	$ —
Long-term debt, curr.	2,738,425	4,605,430
Accts. payable	3,975,646	3,920,266
Accruals	1,744,641	1,701,192
Accrued payroll	754,316	498,600
Income taxes	32,000	402,153
Dividends payable	—	99,623
Curr. Liabilities	$ 9,286,439	$ 11,227,264
Long-term debt	8,469,508	7,373,848
Minority interest	—	22,587
Deferred inc. taxes	1,123,046	1,198,046
+Common stock	485,914	543,904
Add. paid-in capital	6,408,726	7,278,578
Retained earnings	2,428,938	2,675,974
Total Liabilities & Shareholders' Equity	$ 28,202,571	$ 30,320,201

* At lower of cost (FIFO) or market (replacement cost or est. net realizable amt.)
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	—	1.17
%Net Income to Sales	—	0.89
%Net Income to Equity	—	6.21
Sales to Inventories	31.61	29.55
Debt to Equity	1.21	1.14
Working Capital	$3,780,974	$ 5,465,943
Current Ratio	1.41	1.49
Shareholders' Equity	$9,323,578	$10,498,456

IRT Corporation

3030 Callan Road
San Diego, California 92121
(619) 450-4343

Mailing Address:
P.O. Box 85317
San Diego, California 92138

Officers: Robert L. Mertz, chairman of the board, president, chief executive and operating officer; James H. Babcock, v.p., and manager of Washington D.C. office; Hans J. Weber, v.p. and manager-Nuclear Systems Division; W. Dennis Swift, v.p., manager-Electronic Systems Div.; William R. Gordon, v.p.-finance; treasurer & chief financial officer; Walter D. Bowne, secretary.

Directors: Robert L. Mertz, Clifford V. Brokaw III, Stanley W. Hubbel, Robert P. Scherer, Jr.

Areas of Work: Radiation effects research, monitoring and testing services; development and manufacture of equipment for measurement of nuclear materials and non-destructive inspection. Manufactures plastic fiber optic materials and industrial products.

Subsidiaries:

Ridge Inc.
Automated inspection products.

Transfer Agent(s):

Manufacturers Hanover Trust Co.
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: IX

Sales and Earnings

	Revenues +	Net Income
1985	$ 28,913,000	$ 959,000
1984	15,614,000	772,000
1983	13,151,000	461,000
1982	12,060,000	344,000
1981	10,331,000	238,000

	No. of Com Shares ‡	Earn per Share ‡
1985	2,111,709	$ 0.45
1984	1,833,473	0.42
1983	1,455,868	0.32
1982	1,472,325	0.23
1981	1,355,075	0.13

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Scientific and Engineering services	$ 7,589,000	$ 9,804,000
Hardware projects	5,562,000	5,810,000
Total	$ 13,151,000	$ 15,614,000

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 11,786,000	$ 5.58
1984	9,717,000	5.30
1983	2,894,000	1.99
1982	2,128,000	1.15
1981	1,562,000	1.08

Income Account *

Year ended March 31	1985	1984
Revenues	$ 28,913,000	$ 15,614,000
Cost of revenues	20,989,000	11,291,000
Expenses	5,393,000	3,152,000
Interest expense	1,221,000	251,000
Other income	(156,000)	(250,000)
Income before taxes	$ 1,466,000	$ 1,170,000
Income taxes	507,000	273,000
Inc.-cont. oper.	$ 959,000	$ 897,000
Loss-discont. oper.	—	(125,000)
Net Income	$ 959,000	$ 772,000

* Included in Costs and Expenses, Depreciation and Amortization: $297,000 in 1985 and $532,000 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 580,000	$ 2,562,000
Receiv., net	11,759,000	5,606,000
*Inventories	3,476,000	666,000
Prepaid, deposits & other assets	937,000	264,000
Current assets	$ 16,752,000	$ 9,098,000
#Fixed assets	13,427,000	10,165,000
Other assets	4,380,000	137,000
Total Assets	$ 34,559,000	$ 19,400,000

Liabilities

	1985	1984
Notes payable	$ 506,000	$ 120,000
Long-term debt, curr.	55,000	249,000
Accts. payable, accruals & reserves	5,542,000	2,567,000
Current portion of obligations under capital lease	357,000	225,000
State income taxes payable	208,000	54,000
Curr. Liabilities	$ 6,668,000	$ 3,215,000
Long-term debt	14,265,000	5,707,000
Obligations under capital lease	973,000	761,000
Def. inc. taxes	869,000	—
+Common stock	214,000	203,000
Add. paid-in capital	8,626,000	7,527,000
Retained earnings	2,946,000	1,987,000
Total Liabilities & Shareholders' Equity	$ 34,559,000	$ 19,400,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	5.07	—
%Net Income to Sales	3.32	—
%Net Income to Equity	8.14	7.94
Debt to Equity	1.34	0.70
Working Capital	$10,084,000	$5,883,000
Current Ratio	2.51	2.83
Shareholders' Equity	$11,786,000	$9,717,000

Isomet Corporation

5263 Port Royal Road
Springfield, Virginia 22151
(703) 321-8301

Officers: Henry Zenzie, president; Jerry W. Rayburn, v.p.& treasurer; John Ciriello, v.p.-mfg.; Leon Bademian, v.p.-technical director; Lee R. Marks, secretary.

Directors: Henry Zenzie, Floyd Eberly, Thomas P. Meloy, Leon Bademian, John Ciriello, Jerry W. Rayburn.

Areas of Work: Engaged in the design and production of laser accessory components and opto-electronic instruments employing synthetic crystals.

Subsidiaries:

Isomet Japan, K.K.
3-6, Minami-Suna
3-chome
Koto-ku, Tokyo, Japan
Manufactures accousto-optic devices for the Japanese market.

Isomet Laser Systems, Ltd.
18 John Baker Close
Llantarnam Industrial Park
Cwmbran, Gwent, United Kingdom NP 44 3AX
Conducts laser systems research and development.

Printing Developments Isomet, Ltd.
International Business Center
77/79 Wells Street

London WIP 3RE
United Kingdom
Markets and services graphic arts equipment in Europe.

Transfer Agent(s):

United Virginia Bank
Box 26665
Richmond, Virginia 23261

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	74	1982	56
1984	73	1981	53
1983	59		

Plant Footage:

1985 .... 27,724 sq. ft.

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 4,743,000	$ (450,846)
1984	3,444,000	(185,406)
1983	4,154,000	40,234
1982	3,972,000	453,057
1981	4,155,289	913,430

	No. of Com. Shares #	Earn. per Share ‡#
1985	1,811,894	$ —
1984	1,562,756	—
1983	1,568,358	0.03
1982	1,552,313	0.29
1981	1,529,592	0.60

(Loss)

‡ Including extraordinary gain of $52,670 ($0.03 per share) in 1985.

# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 2,932,797	$ 1.62
1984	2,858,662	1.83
1983	2,989,726	1.91
1982	2,913,841	1.88
1981	2,460,784	1.61

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 4,743,310	$ 3,443,630
Cost of sales	3,424,180	1,926,774
Expenses	1,718,783	1,528,029
Other income	(20,335)	(27,771)
Interest income	(9,641)	(7,892)
Interest expense	225,453	204,266
Loss before taxes	$ (595,130)	$ (179,776)
Income taxes	(91,614)	5,630
Net Loss	$ (503,516)	$ (185,406)
Extraord. gain	52,670	—
Net Loss & extraord. gain	$ (450,846)	$ (185,406)

* Included in Costs and Expenses, Depreciation and Amortization: $141,540 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 217,983	$ 180,005
Investments	8,926	5,075
Accts. receiv., net	810,571	1,007,018
Other receiv.	22,520	47,511
*Inventories	3,332,423	2,995,233
Prepaid expenses	123,830	86,081
Due from officers	84,490	53,983
Cost & est. earnings in exc. of billings	—	373,724
Precious metals	215,566	192,252
Refundable income taxes	171,490	36 468
Current Assets	$ 4,987,799	$ 4,977,350
#Fixed assets	928,152	908,483
Other assets	163,108	114,541
Total Assets	$ 6,079,059	$ 6,000,374

Liabilities

Notes payable	$ 1,198,877	$ 419,249
Accts. payable	609,056	649,859
Accruals	281,476	262,419
Income taxes	—	3,938
Billings in exc. of costs	1,847	123,895
Deferred inc. taxes	4,997	5,227
Curr. Liabilities	$ 2,096,253	$ 1,464,587
Long-term debt:		
Notes payable	875,000	1,525,000
Other	5,852	12,998
Deferred inc. taxes	169,157	139,127
+ Common stock	1,895,715	1,577,715
Add. paid-in capital	3,854,611	3,536,611
Deficit	(2,726,803)	(2,275,957)
For. curr. trans. adj.	(90,726)	20,293
Total Liabilities & Shareholders' Equity	$ 6,079,059	$ 6,000,374

* Inventories of parts and raw chemicals at lower of cost (FIFO) or market. Work in process and finished goods at lower of average cost or market.

Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

Sales to Inventories	1.43	1.15
Debt to Equity	0.71	0.68
Working Capital	$2,891,546	$3,512,763
Current Ratio	2.38	3.40
Shareholders' Equity	$2,932,797	$2,858,662

I.T.T. Corporation

320 Park Avenue
New York, New York 10022
(212) 752-6000

Officers: Rand V. Araskog, chairman & chief executive officer; Edmund M. Carpenter, president & chief operating officer; Herbert C. Knortz, exec. v.p.; DeRoy C. Thomas, vice chairman and president and chief executive-I.T.T. Diversified Services Corporation; John W. Guilfoyle, exec. v.p.; M. Cabell Woodward, Jr., vice chairman & chief financial officer; Howard J. Aibel, senior vice president and general counsel; Charles E. Anderson, exec. v.p. & president & chief exec.-ITT Natural Resources Corp.; Robert H. Smith, sr. v.p.-corporate development & economics; Daniel F. Lundy, sr. v.p.-taxes; John P. Pfann, sr. v.p. & treasurer; Raymond H. Alleman, sr. v.p. & comptroller; Juan C. Cappello, sr. v.p.-government relations, corporate relations and advertising; V. William Souveroff, sr. v.p.-North American Telecommunication Operations; Daniel P. Weadock, exec. v.p., group exec.-Europe & president-ITT Europe, Inc.; John J. Chluski, sr. v.p. & exec. representative; Robert E. Laws, sr. v.p. & group exec.-financial services; John J. Navin, v.p. & secretary.

Directors: Bette B. Anderson*, Richard S. Perkins*, Margita E. White*, M. Cabell Woodward, Jr., Edmund M. Carpenter*, Edward C. Meyer*, Herbert C. Knortz, Rand V. Araskog*, Thomas W. Keesee, Jr.*, Terry Sanford*, Michel David-Weill*, Robert A. Schoellhorn*, DeRoy C. Thomas, Ralph P. Davidson*, Lawrence S. Eagleburger*, John W. Guilfoyle, C. Robert Powell*, Robert A. Burnett*.

* Member of the Executive Committee.

Areas of Work: ITT Corporation is a diversified company active in more than 100 countries with a wide range of manufacturing and service operations. It is an important supplier of telecommunication and electronics equipment, industrial products, natural resource materials, engineered products, automotive components, consumer products, food products and aerospace systems. Major service areas include insurance, business and financial services, hotels/motor inns, and international communications.

Divisions and Subsidiaries:

- ITT Corporation ("ITT")-Delaware
  - Federal Electric Corporation-Delaware
  - Carbon Industries, Inc.-West Virginia
  - ITT Community Development Corporation-Delaware
  - ITT Dialcom, Inc.-Maryland
  - ITT Systems, Inc.-Delaware
  - ITT Lester Industries, Inc.-Ohio
  - ITT World Directories, Inc.-Delaware
  - Qume Corporation-California
  - The O.M. Scott & Sons Company-Delaware
  - The Sheraton Corporation-Delaware
  - W. Atlee Burpee Company-Pennsylvania
- ITT Holdings Inc. ("ITT Holdings")-Delaware
  - ITT Canada Limited ("Canada")-Canada
    - ITT Industries of Canada Limited-Canada
  - ITT Grinnell Corporation-Delaware
  - ITT Industries, Inc. ("ITTI")-Delaware
    - Joseph Kempf G.m.b.H.-Germany
    - ITT Gesellschaft fur Beteiligugen m.b.H. ("ITTG")-Germany
      - Deutche ITT Handelsgesellschaft m.b.H.-Germany
      - H.W. Liebrich G.m.b.H.-Germany
      - Transatlantische Rueckversicherungs AG ("Gransatl")-Germany
      - SWF Spezialfabrik fur Autozubehor Gustav Rau G.m.b.H.-Germany
      - Alfred Teves G.m.b.H. ("Teves")-Germany
        - ITT Regelungstechnik Verwaltungs G.m.b.H. (ITTR)-Germany
        - Reiss International-Germany
    - ITT Svenska AB ("Svenska")-Sweden
      - Flygt Aktiebolag-Sweden
      - IKO Kabel AB ("IKO")-Sweden
    - Standard Radio & Telefon AB-Sweden
    - Wihelm Stadtmuller G.m.b.H.
  - ITT Rayonier Incorporated ("Rayonier")-Delaware
- International Standard Electric Corporation ("ISEC")-Delaware
  - Bell Telephone Manufacturing Company-Belgium
  - FACE Finanziaria S.p.A.-Italy
  - ITT Austria Gelellschaft m.b.H.-Austria
  - ITT Netherlands, Inc. ("ITTN")-Delaware
    - Standard Finance Netherlands ("SFN")-Netherlands
      - Nederlandsche Standard Electric Maatschappij, B.V.-Netherlands
  - ITT Telecom Products Corporation-Delaware
  - ISE Canadian Finance Ltd.-Ontario
  - Intel S.A. ("Intelsa")-Switzerland
    - ITT Standard S.A.-Switzerland
  - Standard Electric Kirk A/S-Denmark
  - Standard Electrica, S.A.-Spain
  - Standard Elektrik Lorenz A.G.-Germany
  - Standard Telephon und Radio A.G.-Switzerland
  - Standard Telefon og Kabelfabrik A/S-Norway
  - Standard Telephones and Cables Pty. Limited-Australia
  - ITT (United Kingdom) Limited-New York
- ITT Communications and Information Services, Inc. ("COINS")-Delaware
  - ITT Communications Services, Inc. ("ITTCSI")-Delaware
    - All America Cables and Radio, Inc.-New York
    - ITT World Communications Inc.-Delaware
    - United States Transmission System, Inc.-Delaware

SIGNIFICANT INSURANCE AND FINANCE SUBSIDIARIES-NOT CONSOLIDATED

- Hartford Fire Insurance Company ("Hartford")-Connecticut
  - Abbey International Corporation ("Abbey")-Georgia
    - ITT Hartford Europe Limited ("ITTHE")-England
      - Abbey Life Group Limited-England
      - Excess Insurance Group Limited-England
  - Hartford Accident & Indemnity Company-Connecticut
  - Hartford Life and Accident Insurance Co. ("HLAI")—Connecticut
    - ITT Life Inusrance Corporation("Life")-Wisconsin
      - Hartford Life Insurance Company ("HLIC")-Connecticut
      - Hartford Variable Annuity Life Insurance Company-Connecticut
- ISE Finance Holdings S.A.-Luxembourg
- ITT Credit Corporation-Delaware
- ITT Consumer Services Corporation ("ITTCS")-Delaware
    - ITT Financial Corporation ("ITTFC")-Delaware
  - Aetna Finance Company-Delaware
  - ITT Consumer Financial Corporation-Delaware
  - ITT Business Services Corporation (Mo.) ("ITTBSC")-Missouri
    - ITT Industrial Credit Company-Nevada
  - ITT Commercial Finance Corporation-Delaware
  - Lyndon Insurance Company-Wisconsin
  - ITT Lyndon Life Insurance Company-Missouri
  - ITT Lyndon Property Insurance Company-Missouri
  - Newport Balboa Savings and Loan Association-California
- Kellogg Credit Corporation-Delaware

I.T.T. Corporation

Transfer Agent(s):

Office of the Corporation
(common & preferred stock)
320 Park Avenue
New York, New York 10022

Dresdner Bank AG (common only)
Frankfurt-am-Main, Federal Republic of Germany

Stock Exchange(s): New York, Pacific, Toronto, Antwerp, Basel, Berne, Brussels, Geneva, Frankfurt, Lausanne, London, Paris, Tokyo, Vienna, Zurich

Ticker Symbol: ITT

Number of Employees:

1985	232,000	1982	283,000
1984	252,000	1981	324,000
1983	278,000		

Sales and Earnings

	Net Sales + (000's)	Net Income # (000's)
1985	$ 20,007,000	$ 294,000
1984	18,020,000	448,000
1983	16,973,000	675,000
1982	17,790,000	663,000
1981	18,595,000	667,000

	No. of Com. Shares	Earn. per Share #†
1985	141,000,000	$ 1.89
1984	140,000,000	2.97
1983	138,000,000	4.50
1982	133,000,000	4.47
1981	130,000,000	4.51

+ Includes other revenues and revenues from Insurance and Finance Subsidiaries; of continuing operations only.
# Including extraordinary loss of $17,841,000 ($0.12 per share) in 1981.
† Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Telecommunications:				
Telecommunications equip.	4,603	23	4,327	24
Defense & Space	1,414	7	1,189	7
Industrial Technology:				
Automotive	1,568	7	1,504	9
Electronic, Components	993	5	967	6
Fluid technology	721	4	685	4
Diversified services:				
Communications oper. & information serv.	910	54	766	4
Hotels & community develop.	634	3	625	3
Insurance oper.	6,834	34	5,724	32
Financial serv.	1,302	7	1,128	6
Natural Resources	922	5	919	5
Total segments	$19,901	100%	$17,834	100%
Dispositions	106		186	
Total sales & revenues	$20,007		$18,020	

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	1.88	—	—
1983	2.76	—	—
1982	2.70	—	—
1981	2.62	—	—

Common Stock Equity

	Total Equity +	Equity Per Share
1985	$5,848,898,000	$ 41.62
1984	5,412,419,000	38.73
1983	5,417,238,000	39.36
1982	5,183,050,000	38.82
1981	5,055,850,000	38.83

+ After allowing for preferred stock at aggregate liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Sales & revenues	$ 11,871,150	$ 11,167,635
Cost of sales & services	9,618,271	8,922,930
Expenses	1,689,247	1,632,062
Eq. in earn. of Insur. & Fin. subsid.	(412,345)	(186,464)
Gain on cap. stock issue by U.K. affil.	—	(54,747)
Interest expense	532,302	537,794
Interest & dividend income	(112,121)	(86,074)
Special prov. for prod. line closedowns	160,000	—
Other expense (income)	(72,439)	72,710
Income before taxes	$ 468,235	$ 329,424
Income taxes	157,628	13,328
Minority stock. eq. in net inc.	24,230	9,777
Inc.-cont. oper	$ 286,377	$ 306,319
Inc.-discont. oper	7,124	141,727
Net Income	$ 293,501	$ 448,046

* Included in Costs and Expenses, Depreciation: $455,971,000 in 1985 and $401,868,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 200,181	$ 128,304
Accts. receiv., net	2,183,388	1,972,774
*Inventories	2,061,708	1,883,327
Assets of discont. oper.	276,662	748,372
Other curr. assets	287,767	238,659
Current Assets	$ 5,009,706	$ 4,972,436
Investments, deferred receiv. & other assets	4,848,558	3,974,101
#Fixed assets	4,414,235	4,075,954
Total Assets	$ 14,272,499	$ 13,021,491

Liabilities
(000's)

Short-term debt	$ 885,023	$ 1,062,104
Accts. payable	876,757	776,178
Other payables	321,792	210,404
Accrued payroll	474,355	407,951
Accrued taxes	297,514	191,604
Other liab.	991,505	716,417
Curr. Liabilities	$ 3,846,946	$ 3,364,658
Long-term debt	2,576,531	2,557,545
Reserves & deferred liabilities	1,199,398	900,341
Minority interest	155,858	112,035
Deferred inc. taxes	23,974	54,250
+ Preferred stock	321,544	321,153
+ + Common stock	140,533	139,747
Add. paid-in capital	1,240,425	1,235,273
Retained earnings	5,407,635	5,281,606
Unrealized gain (loss)	11,738	(2,110)
Cum. trans. adjust.	(652,083)	(943,007)
Total Liabilities & Shareholders' Equity	$ 14,272,499	$ 13,021,491

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $1 par value.

Statistical Summary

%Net Income to Equity	4.54	7.43
Debt to Equity	0.54	0.60
Working Capital	$1,162,760,000	$1,606,778,000
Current Ratio	1.30	1.48
Shareholders' Equity	$6,469,792,000	$6,032,662,000

Jaco Electronics, Inc.

145 Oser Avenue
Hauppauge, New York 11788
(516) 273-5500

Officers: Joel H. Girsky, chairman of the board, president & treasurer; Herbert Entenberg, v.p. & secretary; Denis Haggerty, Raymond A. Bakey, Michael Lissner, v.p.'s.

Directors: Joel H. Grisky, Martin B. Bloch, Stephen A. Cohen, Edward M. Frankel.

Areas of Work: Distributes electronic components manufactured by others to various electronics companies. The company specializes in the distribution of capacitors, semiconductors, integrated circuits and resistors used in electronic consumer products, and electronic equipment for commercial, space and defense industries.

Subsidiaries:

Jaco Overseas Corp.
Components Supply Company, Inc.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: JACO (NASDAQ)

Number of Employees:

1984	N.A.	1983	120

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income +
1984	$ 29,949,853	$ 1,558,359
1983	29,746,353	(4,890,896)
1982	60,141,015	(1,294,755)
1981	60,037,372	(1,249,456)
1980	64,827,516	1,749,304

	No. of Com. Shares #	Earn. per Share # +
1984	751,125	$ 2.07
1983	751,125	—
1982	751,125	—
1981	751,125	—
1980	751,125	2.33

(Loss)
Based on the weighted average number of shares outstanding.
+ Including extraordinary gain of $740,000 ($0.98 per share) in 1984.

Common Stock Equity

	Total Equity	Equity Per Share #
1984	$ 2,301,745	$ 3.06
1983	743,386	0.99
1982	5,634,282	7.50
1981	6,929,037	9.22
1980	8,178,493	10.89

Based on the weighted average number of shares outstanding.

Income Account *

Year ended June 30	1984	1983
Net sales	$ 29,949,853	$ 29,746,353
Cost of sales	21,615,073	23,425,592
Expenses	6,064,930	8,674,125
Interest expense	500,518	938,032
Non-recurring loss on sale of assets	—	1,599,500
Aborted public offering	200,000	—
Deferred income	(89,027)	—
Net Income (Loss)	$ 818,359	$ (4,890,896)
Extraordinary gain	740,000	—
Net Income (Loss) & extraordinary gain	$ 1,558,359	$ (4,890,896)

* Included in Costs and Expenses, Depreciation and Amortization: $198,957 in 1984 and $306,327 in 1983.

Assets

As of June 30	1984	1983
Cash	$ 11,349	$ 8,957
Accts. receiv., net	3,891,538	2,860,332
Refundable taxes	—	87,729
*Inventories	3,949,624	3,250,000
Land/bldg. sold	—	1,221,176
Prepaid expenses	218,747	209,869
Current Assets	$ 8,071,258	$ 7,638,063
#Fixed assets	378,218	441,418
Other assets	79,769	88,889
Total Assets	$ 8,529,245	$ 8,168,370

Liabilities

	1984	1983
Bank loans	$ 1,543,913	$ 1,985,354
Accts. payable	2,995,694	3,806,895
Accruals	1,198,820	749,882
Long-term debt, curr.	—	882,853
Curr. Liabilities	$ 5,738,427	$ 7,424,984
Deferred income	489,073	
+ Common stock	75,113	75,113
Add paid-in capital	1,111,127	1,111,127
Retained earnings (deficit)	1,115,505	(442,854)
Total Liabilities & Shareholders' Equity	$ 8,529,245	$ 8,168,370

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.54	—
%Net Income to Sales	2.73	—
%Net Income to Equity	35.55	—
Sales to Inventories	7.58	9.15
Working Capital	$2,332,831	$213,079
Current Ratio	1.41	1.03
Shareholders' Equity	$2,301,745	$743,386

Jetronic Industries, Inc.

Main and Cotton Streets
Philadelphia, Pennsylvania 19127
(215) 482-7660

Officers: Daniel R. Kursman, chairman of the board, president and treasurer; Jerome I. Kursman, vice president and secretary; Garth E. Bower, group vice president; Leonard W. Pietrzak, vice president-finance; Marvin Levin, v.p.-retailing; Peter J. Kursman, vice president.

Directors: Daniel R. Kursman, chairman; Jerome I. Kursman, Peter Kursman, Garth E. Bower, Herbert Myers, David Silverman, Les Vizak, Marvin Levin, William L. Weiss.

Areas of Work: Engaged in the design, manufacture, and sale of electronic communication and navigation equipment and the manufacture and sale of circuit boards and instrumentation systems. Also involved in retail sales of furniture, major appliances and marine accessories.

Divisions and Subsidiaries:

Transchem Division
3667 Birch Street
Newport Beach, California 92660

Produces multilayer laminated rigid and flexible etched circuit boards, primarily for the computer and aerospace industries, and precision power systems and ground support/checkout systems.

Harry Levin, Inc.
Philadelphia, Pennsylvania

Engaged in the retail furniture and appliance business in Philadelphia and Reading, Pennsylvania.

Ross Matthews Corporation
Fall River, Massachusetts

Manufactures narrow tapes, shock cord, industrial straps and related products.

Marine Mail Order Supply, Inc. (75% owned)
Toronto, Ontario, Canada

Imports, distributes and sells on a retail basis a general line of marine products throughout Canada and the northern U.S.

Jetronic Light Wave Corporation

Manufactures fiber optic cable.

Ray Jefferson Division
Main and Cotton Streets
Philadelphia, Pennsylvania 19127

Development of marine electronic communication and navigation equipment and accessory instruments for commerical and leisure use, including marine radio telephones, radio direction finders, and marine antennas.

Transfer Agent(s):

Continental Stock Transfer Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: JET

Number of Employees:

1985 . . . . . . 570 1984 695

Plant Footage:

1985 . . . . . . 238,000 sq. ft. 1984 238,000

Sales and Earnings

	Revenues (000's)	Net Income † (000's)
1986	$ 51,273	$ 1,510
1985	40,817	1,091
1984	36,468	641
1983	32,942	690
1982	30,793	(642)

	No. of Com. Shares ‡	Earn. per Share ‡ †
1986	2,227,000	$ 0.68
1985	2,227,000	0.50
1984	2,020,000	0.31
1983	1,978,000	0.35
1982	1,978,000	—

(Loss)
† Including extraordinary gains of $10,000 in 1985, and $280,000 ($0.15 per share) in 1983 and extraordinary loss of $86,000 in 1986
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business
(000's)

	1986	1985
Jetronic:		
Electronic communication & navigation equipment	$ 20,325	$ 9,717
Circuit boards & instrumentation systems	6,334	7,081
The Levin Group:		
Retail furniture & appliances	18,775	18,329
Narrow fabrics & tapes	5,839	5,690
Total	$ 51,273	$ 40,817

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	10%	—
1985	—	10%	—
1984	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1986	$ 11,298,000	$ 5.06
1985	9,598,000	4.61
1984	8,227,000	4.07
1983	7,509,000	3.78
1982	6,819,300	3.45

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 50,203,000	$ 39,624,000
Other income	1,070,000	1,193,000
Total Income	$ 51,273,000	$ 40,817,000
Cost of sales	33,446,000	26,194,000
Expenses	13,494,000	10,910,000
Interest expense	1,433,000	1,503,000
Income before taxes	$ 2,900,000	$ 2,210,000
Income taxes	1,304,000	1,129,000
Net Income	$ 1,596,000	$ 1,081,000
Extraord. items	(86,000)	10,000
Net Income & Extraord. Item	$ 1,510,000	$ 1,091,000

* Included in Costs and Expenses, Depreciation and Amortization: $464,000 in 1986 and $395,000 in 1985.

Assets

As of Jan. 31	1986	1985
Cash	$ 1,603,000	$ 933,000
Accts. receiv., net	12,738,000	11,924,000
*Inventories	12,801,000	11,999,000
Prepaid expenses	1,361,000	781,000
Current Assets	$ 28,503,000	$ 25,637,000
#Fixed assets	2,153,000	2,132,000
Goodwill	1,384,000	1,628,000
Other assets	297,000	397,000
Total Assets	$ 32,337,000	$ 29,794,000

Liabilities

	1986	1985
Notes payable	$ 9,694,000	$ 9,589,000
Long-term debt, curr.	531,000	548,000
Accts. payable	1,556,000	1,809,000
Accrued payroll	513,000	553,000
Other accruals	3,902,000	3,210,000
Def. inc. taxes	764,000	509,000
Curr. Liabilities	$ 16,960,000	$ 16,218,000
Long-term debt	3,901,000	3,886,000
Minority interest	178,000	92,000
+ Common stock	223,000	203,000
Add. paid-in capital	7,715,000	5,849,000
Cum. trans. adj.	(101,000)	—
Retained earnings	3,769,000	3,854,000
Treasury stock	(308,000)	(308,000)
Total Liabilities & Shareholders' Equity	$ 32,337,000	$ 29,794,000

* At lower of cost (LIFO) or market; inventories of narrow fabrics and tape stated at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.78	5.58
%Net Income to Sales	3.18	2.73
%Net Income to Equity	14.13	11.26
Sales to Inventories	3.92	3.30
Debt to Equity	1.25	1.46
Working Capital	$11,543,000	$9,419,000
Current Ratio	1.68	1.58
Shareholders' Equity	$11,298,000	$9,598,000

John Fluke Mfg. Co., Inc.

6920 Seaway Boulevard
Everett, Washington 98203
(206) 347-6100

Mailing address:

John Fluke Mfg. Co., Inc.

P.O. Box C9090
Everett, Washington 98206

Officers: John M. Fluke Jr., chairman of the board & chief executive officer; George M. Winn, president & chief operating officer; Everts L. Johns, vice president & treasurer; John R. Smith, v.p. & controller; Richard Van Saun, v.p. & gen. mgr.-general test & service division; Jerome A. Froland, v.p. & gen. mgr.-IM&C Division; Frederick R. Hume, v.p.-technology & planning; George O. Trickell, v.p.-personnel & employee relations; William R. Hoffman, v.p. & national sales mgr.; Ronald R. Wambolt, v.p. & dir.-international operations; Douglas G. McKnight, secretary.

Directors: Everts L. Johns, Robert Hofstadter, Richard B. Hooper, James B. Scroggs*, Henry G. Dahl, Jr.*, John M. Fluke, Jr.*, N. Stewart Rogers*, George M. Winn*.

* Member of the Executive Committee.

Areas of Work: Designs, manufactures and sells commercial electronic test and measurement instruments and systems for scientific, educational, industrial and governmental applications. Products manufactured include digital voltmeters and multimeter electronic counters, frequency synthesizers, digital thermometers, circuit board testers, data loggers, calibrators and standards, signal generators, automatic test systems, IEEE Bus Controllers and microsystem testers.

Subsidiaries:

Fluke International Corporation
P.O. Box C9090
Everett, Washington 98206

Fluke Automated Systems, Inc.
631 Clyde Avenue
Mountain View, California 94040

Fluke (Nederland) B.V.
P.O. Box 5004 EB
Tilburg, The Netherlands

Fluke (G.B.) Ltd.
Colonial Way
Watford, Herts, WD24TT
England

Fluke (South Africa) Pty. Ltd.
P.O. Box 39797
Bramley 2018
South Africa

Instrument Specialists Sales Group-
John Fluke Mfg. Co., Inc.
2020 No. Lincoln Street
Burbank, California 91504

CCI Sales Group
1400 Hicks Road
Rolling Meadows, Illinois 60008

Fluke Belgium SA/NV
6 Rue de Geneve
1140 Brussels, Belgium

Fluke (Deutschland) GmbH
Kraustrasse 32
8045 Ismaning, West Germany

SBM Representative Sales Group
John Fluke Mfg. Co., Inc.
West 75 Century Road
Paramus, New Jersey 07652

Fluke (Holland) B.V.
Fluke Foreign Sales Corporation (FSC)

Transfer Agent(s):

Peoples National Bank of Washington
P.O. Box 720
Seattle, Washington 98111

Bradford Trust Company
P.O. Box 467
Washington Bridge Station
New York, New York 10033

Stock Exchange(s): American, Pacific

Ticker Symbol: FKM

Number of Employees:

1985 . . . . . . 2,652 1984 2,825

Plant Footage:

1985 . . . . . . 706,167 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 216,559,000	$ 15,200,000
1984	208,076,000	18,983,000
1983	172,674,000	9,585,000
1982	154,395,000	7,831,000
1981	139,580,000	8,478,000

	No. of Com. Shares #	Earn. per Share #
1985	8,208,771	$ 1.85
1984	8,351,190	2.27
1983	8,272,401	1.16
1982	8,237,432	0.95
1981	8,097,092	1.05

Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	5%	—
1984	—	5%	—
1983	—	5%	—
1982	—	5%	—
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 111,428,000	$ 13.57
1984	104,325,000	12.49
1983	84,800,000	10.25
1982	73,700,000	8.95
1981	64,874,000	8.61

‡ Based on the average number of shares outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 216,559	$ 208,076
Cost of sales	97,991	92,210
Expenses	94,077	88,797
Interest expense	2,672	3,454
Other income	(573)	(1,102)
Income before taxes	$ 22,392	$ 24,717
Income taxes	7,192	5,734
Net Income	$ 15,200	$ 18,983

* Included in Costs and Expenses, Depreciation and Amortization: $8,787,000 in 1985 and $7,664,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 9,982	$ 16,083
Accts. receiv., net	38,082	40,383
*Inventories	45,574	46,086
Prepaid inc. taxes	2,184	2,163
Prepaid expenses	2,910	1,186
Current Assets	$ 98,732	$ 105,901
#Fixed assets	62,642	61,463
Other assets	2,468	3,964
Total Assets	$ 163,842	$ 171,328

Liabilities
(000's)

	1985	1984
Notes payable	$ 256	$ 940
Long-term debt, curr.	2,027	2,709
Accts. payable	4,162	6,405
Accruals	15,695	17,349
Income taxes	220	3,394
Curr. Liabilities	$ 22,360	$ 30,797
Long-term debt	18,431	24,063
Deferred comp.	3,941	3,870
Deferred inc. taxes	7,682	8,273
+ Common stock	2,098	1,998
Add. paid-in capital	75,037	63,056
Retained earnings	44,191	40,729
Treasury stock	(9,898)	(1,458)
Total Liabilities & Shareholders' Equity	$ 163,842	$ 171,328

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

	1985	1984
% Income bef. Taxes to Sales	10.34	11.88
% Net Income to Sales	7.02	9.12
% Net Income to Equity	13.64	18.20
Sales to Inventories	4.75	4.51
Debt to Equity	0.19	0.27
Working Capital	$ 76,372,000	$ 75,104,000
Current Ratio	4.42	3.44
Shareholders' Equity	$111,428,000	$104,325,000

Johnson & Johnson

One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
(201) 524-8313

Officers: James E. Burke, chairman of the board & chief executive officer; David R. Clare, president & chairman of the executive committee; Lawrence G. Foster, v.p.-public relations; Robert A. Fuller, v.p.-science & technology; John J. Heldrich, v.p.-administration; John C. Walcott, v.p.-finance; Frank A. Bolden, secretary; George S. Frazza, general counsel; Andrew J. Markey, treasurer.

Executive Committee Members: David R. Clare, Robert F. Campbell, David E. Collins, Victor J. Dankis, Frank De Angeli, John J. Heldrich, Arthur M. Quilty, Herbert G. Stolzer, John C. Walcott, Verne M. Willaman, Robert N. Wilson.

Directors: James E. Burke, Robert E. Campbell, David R. Clare, Ann D. Cook, Joan G. Cooney, Victor J. Dankis, Frank De Angeli, Clifton C. Garvin, Jr., Robert S. Hatfield, John J. Heldrich, Robert Q. Marston, Arthur M. Quilty, Herbert G. Stolzer, Verne M. Willaman, William O. Baker, Thomas S. Murphy, Paul J. Rizzo, John C. Walcott, Irving M. London, Roger B. Smith.

Areas of Work: The Company's worldwide business is divided into three industry segments: Consumer, Professional and Pharmaceutical.

The Consumer segment consists of toiletries and hygienic products, including baby care items, first aid products and nonprescription drugs.

The Professional segment includes ligatures and sutures, diagnostic products, dental products, medical equipment and devices, surgical dressings, surgical specialties, surgical instruments and related items used principally by the professional fields, including hospitals, physicians, dentists, diagnostic laboratories and clinics.

The Pharmaceutical segment is principally prescription drugs, including contraceptives and therapeutics, and veterinary products, which are distributed both directly and through wholesalers for use by health care professionals and the general public.

Electronic Subsidiaries:

Technicare Corporation
29100 Aurora Road
Solon, Ohio 44139
(216) 248-1800

Offers physicians products in four diagnostic imaging fields: computed tomography (CT) scanning, nuclear medicine systems, digital x-ray and magnetic resonance (MR).

Xanar, Inc
2868 Janitell Road
Colorado Springs, Colorado 80906
(303) 576-7050

Produces carbon dioxide lasers used in surgical applications.

Johnson & Johnson
ULTRASOUND

Produces ultrasound diagnostic imaging equipment used in a wide range of medical diagnoses.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Toronto

Ticker Symbol: JNJ

Number of Employees:

1985	74,900	1982	79,700
1984	74,200	1981	77,100
1983	77,400		

Sales and Earnings

	Net Sales (000's)	Net Income † (000's)
1985	$ 6,421,300	$ 613,700
1984	6,124,500	514,500
1983	5,972,900	489,000
1982	5,760,900	523,400
1981*	5,399,000	467,600

	No. of Com Shares ‡	Earn. per Share ‡
1985	182,900,000	$ 3.36
1984	187,400,000	2.75
1983	190,500,000	2.57
1982	188,000,000	2.79
1981*	186,400,000	2.51

* 53 weeks.
† Including extraordinary charge of $50,000,000 ($0.27 per share) in 1982.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Consumer	$ 2,774,500	$ 2,749,700
Professional	2,207,000	2,055,400
Pharmaceutical	1,439,800	1,319,400
Total	$ 6,421,300	$ 6,124,500

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.28	—	—
1984	1.18	—	—
1983	1.08	—	—
1982	0.97	—	—
1981	0.85	—	3-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$3,350,900,000	$ 18.33
1984	2,932,000,000	16.04
1983	3,026,500,000	15.82
1982	2,799,500,000	14.80
1981	2,527,900,000	13.51

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 6,421,300	$ 6,124,500
Other income	155,400	122,500
Total income	$ 6,576,700	$ 6,247,000
Cost of sales	2,594,200	2,469,400
Expenses	2,516,000	2,488,400
Research expense	471,100	421,200
Interest expense	45,900	51,100
Other expenses	50,300	61,800
Income before taxes	$ 899,200	$ 755,100
Income taxes	285,500	240,600
Net Income	$ 613,700	$ 514,500

* Included in Costs and Expenses, Depreciation and Amortization: $250,500,000 in 1985 and $226,300,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash & cert. of deposit	$ 129,200	$ 94,400
Marketable securities	606,400	348,100
Accts. receiv., net	959,400	877,300
*Inventories	955,100	945,400
Prepaid exp. & other receiv.	246,400	248,500
Current Assets	$ 2,896,500	$ 2,513,700
Marketable securities	148,700	162,300
#Fixed assets	1,839,900	1,720,600
Other assets	210,000	144,800
Total Assets	$ 5,095,100	$ 4,541,400

Liabilities
(000's)

Loans & notes payable	$ 229,300	$ 201,400
Accts. payable	401,400	301,600
Accruals	476,300	452,300
Income taxes	65,300	87,100
Curr. Liabilities	$ 1,172,300	$ 1,042,400
Long-term debt	185,300	224,800
Cert. of extra compens.	58,000	53,000
Def. inc. taxes	121,300	91,700
Deferred inv. tax cred.	40,200	42,200
Other liabilities	167,100	155,300
+ Common stock	191,800	191,800
Add. paid-in capital	247,600	278,600
Cum. curr. translation adjust.	(291,900)	(366,400)
Retained earnings	3,499,600	3,119,100
Treasury stock	(296,200)	(291,100)
Total Liabilities & Shareholders' Equity	$ 5,095,100	$ 4,541,400

* At lower of cost (FIFO) or market. The majority of domestic inventories valued at LIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.00	12.33
%Net Income to Sales	9.56	8.40
%Net Income to Equity	18.31	17.55
Sales to Inventories	6.72	6.48
Debt to Equity	0.12	0.15
Working Capital	$1,724,200,000	$1,471,300,000
Current Ratio	2.47	2.41
Shareholders' Equity	$3,350,900,000	$2,932,900,000

Johnson Controls, Inc.

5757 North Green Bay Avenue
P.O. Box 591
Milwaukee, Wisconsin 53201
(414) 228-1200

Officers: Fred L. Brengel, chairman, president & chief executive officer; John F. Daly, vice chairman; William L. Rootham, exec. v.p. & chief financial officer; James H. Keyes, exec. v.p. & chief operating officer; Milton C. Zilis, Richard D. Wilson, Frank M. Sterner, Joseph W. Lewis, George Jacobi, vice presidents; Peter J. Rosewig, v.p. & asst. chief financial officer; James M. Wade, treasurer; Kenneth J. Kammeraad, secretary; Florence Klatt, asst. secretary; John P. Kennedy, asst. secretary & gen. counsel.

Directors: Ettore Barbatelli, Fred L. Brengel*, Seymour F. Johnson, John S. Randall*, William L. Rootham, John F. Daly, William J. Hubbard, Jr., James H. Keyes, Donald Taylor*, Robert T. Foote, R. Douglas Ziegler*, James L. Krum*, Paul A. Brunner.

* Member of the Executive Committee.

Areas of Work: Engaged in the development, production and servicing of computer systems designed for building automation, fire safety and security and energy systems; manufactures and markets auto batteries and automotive seating; manufactures plastic containers and plastics blowmolding machinery.

Divisions:

Systems & Services Division
507 E. Michigan Street
P.O. Box 423
Milwaukee, Wisconsin 53201
(414) 274-4000

Provides building automation systems and products which can monitor and control every phase of a building's operations including energy conservation, fire safety and security.

Systems Engineering & Construction Division
207 North Jefferson Street
P.O. Box 423
Milwaukee, Wisconsin 53201
(414) 274-4815

Designs, installs and maintains industrial instrumentation and process control systems.

Control Products Division
1250 E. Diehl
Naperville, Illinois 60540
(312) 654-4900

Designs, produces and distributes energy related products to original equipment manufacturers. Products include a complete line of automatic temperature pressure and flow controls for air conditioning, refrigeration, commercial and residential heating, water pumping and gas burning equipment.

International Controls Division

Sells battery process equipment and licenses related technology overseas.

Battery Division
5757 N. Green Bay Avenue
P.O. Box 591
Milwaukee, Wisconsin 53201
(414) 228-1200

Manufactures and sells automotive and other rechargeable lead-acid batteries.

Engineered Piping Systems Division
1707 W. Compton Boulevard
Compton, California 90224
(213) 537-7200

Fabricates pipe and related hardware to the country's power generating industries and other large process industries.

Automotive Seating Division

Design and manufacture of seating for cars and light trucks.

Plastic Container Divison

Supplies plastic soft drink bottles for the U.S. market.

Plastics Machinery Division

Design and assembly of blowmolding machinery.

Subsidiaries:

Johnson Controls International, Inc.
Milwaukee, Wisconsin

Johnson Controls, Ltd.
Toronto, Ontario, Canada

Acquisition(s):

Hoover Universal, Inc.

Manufactures automotive seating and seating components, plastic containers, plastics blowmolding machinery, and other industrial products.

Ferro Manufacturing Corp.

Manufactures automotive seating components, various products for the automotive industry, and other industrial products.

Johnson Controls, Inc.

Transfer Agent(s):

First Wisconsin Trust Co.
P.O. Box 2054
Milwaukee, Wisconsin 53201

Stock Exchange(s): New York

Ticker Symbol: JCI

Number of Employees:

1985	29,000	1982	20,500
1984	21,200	1981	20,000
1983	20,700		

Sales and Earnings

	Net Sales +	Net Income
1985	$1,787,049,000	$ 78,290,000
1984	1,425,271,000	66,723,000
1983	1,323,424,000	59,041,000
1982	1,251,522,000	53,839,000
1981	1,128,386,000	48,132,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	16,244,698	$ 4.80
1984	14,173,000	4.71
1983	14,145,000	4.17
1982	14,054,000	3.83
1981	13,056,597	3.43

+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.86	—	—
1984	1.66	—	—
1983	1.50	—	—
1982	1.40	—	—
1981	1.30	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 690,331,000†	$ 36.79
1984	460,145,000	32.49
1983	392,255,000†	29.53
1982	352,627,000†	27.16
1981	327,495,000†	25.49

† After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 1,787,049	$ 1,425,271
Cost of sales	1,368,004	1,066,078
Expenses	286,841	246,325
Oper. profit	$ 132,204	$ 112,868
Interest income	(10,876)	(16,495)
Other income	(11,354)	(261)
Interest expense	12,304	9,524
Income before taxes	$ 142,130	$ 120,100
Income taxes	63,840	53,377
Net Income	$ 78,290	$ 66,723

* Included in Costs and Expenses, Depreciation and Amortization: $61,892,000 in 1985 and $43,898,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & invest.	$ 40,207	$ 86,034
Accts. receiv., net	374,496	290,971
Contract costs in excess of billings	36,405	23,457
*Inventories	226,037	158,811
Other assets	60,116	40,634
Net assets held for sale	178,571	—
Current Assets	$ 915,832	$ 599,907
#Fixed assets	574,496	293,611
Other assets	298,925	98,646
Total Assets	$ 1,789,253	$ 992,164

Liabilities
(000's)

Short-term debt	$ 279,699	$ 4,838
Long-term debt, curr.	8,608	8,077
Accts. payable	137,056	54,092
Accrued compensation	84,373	57,771
Billings in excess of costs	147,710	174,565
Accrued inc. taxes	56,678	28,196
Other liabilities	78,533	62,991
Curr. Liabilities	$ 792,657	$ 390,530
Long-term debt	182,071	109,419
Deferred inc. taxes	49,194	32,070
+ Preferred stock	1,500	—
+ + Common stock	9,356	7,048
Add. paid-in capital	463,165	166,667
Retained earnings	305,642	300,502
Cum. trans. adjust.	(14,332)	(14,072)
Total Liabilities & Shareholders' Equity	$ 1,789,253	$ 992,164

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value; $4.25 convert. exch., Series C.
+ + $0.50 par value.

Statistical Summary

%Income bef Taxes to Sales	7.95	8.43
%Net Income to Sales	4.38	4.68
%Net Income to Equity	10.23	14.50
Sales to Inventories	7.91	8.97
Debt to Equity	0.61	0.27
Working Capital	$123,175,000	$209,377,000
Current Ratio	1.16	1.54
Shareholders' Equity	$765,331,000	$460,145,000

Julie Research Laboratories, Inc.

211 West 61st Street
New York, New York 10023
(212) 245-2727

Officers: Loebe Julie, president & treasurer; Ora Julie, v.p. & secretary; Anne Chazak, controller.

Directors: Loebe Julie, Ora Julie.

Areas of Work: Manufactures instruments and modular components. One product is a fully-automated system of AC and DC measurement. Other products include voltage dividers, preamplifiers, voltage and current sources, decade resistor boxes, resistors networks, voltage and resistance standards, interface systems and instruments for ultra-precise electrical measurement.

Divisions and Subsidiaries:

Optimation Division
211 West 61 Street
New York, New York 10023

Transfer Agent(s):

Harris Trust Company of New York
110 Williams Street
New York, New York 10041

Stock Exchange(s): Over-the-Counter

Sales and Earnings ‡

	Net Sales	Net Income
1985	$ 1,260,357	$ 64,902
1984	1,197,541	78,542
1983	1,447,383	283,954
1982	1,225,509	102,568
1981	N.A.	N.A.

	No. of Com. Shares	Earn. per Share †
1985	414,014	$ 0.16
1984	415,014	0.19
1983	417,514	0.68
1982	417,514	0.25
1981	417,514	N.A.

N.A.-Not Available.
‡ Unaudited.
† Based on the weighted average number of common shares outstanding.

Common Stock Equity ‡

	Total Equity	Equity Per Share
1985	$ 834,415	$ 2.02
1984	769,888	1.86
1983	306,324	0.73
1982	408,892	0.98
1981	N.A.	N.A.

N.A. - Not Available.
‡ Unaudited.

Income Account *

Year ended Dec. 31	1985 ‡	1984 ‡
Net sales	$ 1,260,357	$ 1,197,541
Cost of sales	797,814	749,346
Expenses	444,027	419,707
Other income	(55,886)	(60,168)
Income before taxes	$ 74,402	$ 88,656
Income taxes	9,500	10,114
Net Income	$ 64,902	$ 78,542

‡ Unaudited.
* Included in Costs and Expenses, Depreciation and Amortization: $7,692,000 in 1985 and $12,694 in 1984.

Assets

As of Dec. 31	1985 ‡	1984 ‡
Cash	$ 24,325	$ 64,592
Short-term invest.	635,116	516,842
Accts. receiv., net	348,020	396,182
*Inventories	77,667	74,024
Current Assets	$ 1,085,128	$ 1,051,640
#Fixed assets	8,396	16,088
Total Assets	$ 1,093,524	$ 1,067,728

Liabilities

Accts. payable	$ 52,664	$ 32,236
Accruals	197,445	256,604
Curr. Liabilities	$ 250,109	$ 288,840
Reserve for retirement bonus	9,000	9,000
+ Common stock	442,497	442,497
Add. paid-in capital	154,582	154,582
Retained earnings	372,134	307,232
Treasury stock	(134,798)	(134,423)
Total Liabilities & Shareholders' Equity	$ 1,093,524	$ 1,067,728

‡ Unaudited.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.90	7.40
%Net Income to Sales	5.15	6.56
%Net Income to Equity	7.78	10.20
Sales to Inventories	16.23	16.18
Working Capital	$835,019	$762,800
Current Ratio	4.34	3.64
Shareholders' Equity	$834,415	$769,888

Kaman Corporation

Blue Hills Avenue
Bloomfield, Connecticut 06002
(203) 243-8311

Officers: Charles H. Kaman, president & chief exec. officer; Stewart A. Bliss, executive v.p.; Harvey S. Levensen, sr. v.p.; Fred L. Smith, sr. v.p.; Glenn M. Messemer, v.p. & asst. secretary; John S. Murtha, secretary; William P. Desautelle, treasurer; Robert M. Garneau, controller; Eugene G. Daly, Russell H. Jones, James A. Morholt, assistant vice presidents; Roger W. Roy, Raymond H. Picard, asst. controllers.

Directors: Stewart A. Bliss*, Charles H. Kaman*, John S. Murtha*, John B. Plott, Carlyle F. Barnes, Robert H. Willis*, D. Brainerd Holmes, Robert L. Newell*, Forrest S. Petersen, Edythe J. Gaines, Hartzel Z. Lebed, Joseph A. DiBiaggio, Peter L. Scott.

* Member of the Executive Committee

Areas of Work: Distribution of musical instruments; production of aerospace products; nuclear research and nuclear devices; aviation services; industrial parts and services; environmental instrumentation such as digital radiation monitors; computer time sharing; measuring devices.

Divisions and Subsidiaries:

Diversified Technologies

Sciences Group

Neutron generators, advanced materials, measuring devices, weapons studies, nuclear research, advanced aerodynamics, computer time-sharing and programs, and systems analysis.

Kaman Sciences Corporation
Garden of the Gods Road
Colorado Springs, Colorado 80907

Kaman Instrumentation Corporation
Colorado Springs, Colorado 80907

Kaman AviDyne
Barlingto, Massachusetts

Aerospace Group

Airframe components; rotary wing, energy systems, research and development; bearings, couplings.

Kaman Aerospace Corporation
Bloomfield, Connecticut 06002

Kamatics Corporation
Bloomfield, Connecticut 06002

Aviation Services Group

Aircraft sales and services, fuel, repair, charter service, flight training and airline services.

AirKaman of Jacksonville, Inc.
Jacksonville International Aiport
Box 18157
Jacksonville, Florida 32229

Distribution

Music Group

Acoustic and electric guitars, accessories, musical strings; pianos, a complete line of musical instruments.

Coast Wholesale Music Co. of Los Angeles
1215 W. Walnut Street
Compton, California 90220

Coast Wholesale Music Co. of San Francisco
200 Industrial Way
San Carlos, California

Ovation Instruments, Inc.
Bloomfield, Connecticut

Kaman Musical String Corporation
Bloomfield, Connecticut

Kaman Music International Corp.
Bloomfield, Connecticut

C. Bruno & Son, Inc.
San Antonio, Texas
Wheeling, Illinois
Bloomfield, Connecticut
Atlanta, Georgia

Bearing & Supply Group

Line of new and replacement parts for industrial operations. Consulting services in power transmission, material handling and industrial operation.

Kaman Aircraft Bearing
Los Angeles, California

Kaman Bearing and Supply Corp. of California
Kaman Bearing & Supply Co.
140 S. Arrowhead Avenue
San Bernardino, California 92408

Kaman Bearing and Supply Corp. Intermountain
1771 South 450 West
Salt Lake City, Utah 84110

Kaman Bearing and Supply Corp. Northwest
East 4115 Trent Avenue
Spokane, Washington 99220

Kaman Bearing and Supply Corp. East
5900 Firestone Drive
Syracuse, New York 13221

Kaman Bearing and Supply Corp. South
1129 E. Platt Street
Tampa, Florida 33602

Transfer Agent(s):

Manufacturers Hanover Trust Company
Stock Transfer Department
Bank Window, Church Street Station
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KAMNA (NASDAQ)

Number of Employees:

1985	5,326	1982	4,206
1984	5,006	1981	4,435
1983	4,804		

Sales and Earnings

	Net Sales	Net Income
1985	$ 556,042,000	$ 19,119,000
1984	537,975,000	17,151,000
1983	475,388,000	12,816,000
1982	416,492,000	9,248,000
1981	430,033,000	9,019,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	10,799,000	$ 1.77
1984	10,670,000	1.61
1983	10,551,000	1.21
1982	10,347,000	0.89
1981	10,206,000	0.88

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenue By Line of Business

	1985 (000's)	%	1984 (000's)	%
Diversified technologies	$265,477	47%	$256,983	48%
Distribution	290,565	53	280,992	52
Total	$556,042	100%	$537,975	100%

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1985	$0.407	—	3-for-2
1984	0.347	—	—
1983	0.280	—	2-for-1
1982	0.220	—	—
1981	0.209	—	3-for-2

# Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 120,218,000	$ 11.19
1984	104,184,000	9.79
1983	89,130,000	8.52
1982	77,934,000	7.57
1981	70,041,000	6.95

# Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Revenues:		
Net sales	$ 556,042,000	$ 537,975,000
Other	411,000	556,000
Total	$ 556,453,000	$ 538,531,000
Cost of sales	408,772,000	404,714,000
Expenses	109,314,000	97,644,000
Other income	(1,942,000)	(2,466,000)
Interest expense	3,238,000	4,081,000
Income before taxes	$ 37,071,000	$ 34,558,000
Income taxes	17,952,000	17,407,000
Net Income	$ 19,119,000	$ 17,151,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,324,000 in 1985 and $3,512,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 6,586,000	$ 4,971,000
Short-term investments	29,213,000	35,110,000
Accts. receiv., net	79,557,000	89,845,000
*Inventories	73,322,000	77,211,000
Prepaid expenses	704,000	809,000
Current Assets	$ 189,382,000	$ 207,946,000
#Fixed assets	31,959,000	30,997,000
Other assets	4,706,000	4,339,000
Total Assets	$ 226,047,000	$ 243,282,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 3,540,000	$ 4,344,000
Accounts payable	37,486,000	44,103,000
Accrued payroll	9,889,000	9,140,000
Other accruals & payables	13,791,000	14,491,000
Inc. taxes payable	13,347,000	24,722,000
Curr. Liabilities	$ 78,053,000	$ 96,800,000
Long-term debt	25,240,000	30,692,000
Deferred credits	2,536,000	11,606,000
+ Common stock:		
Class A	10,326,000	10,219,000
Class B	417,000	417,000
Add. paid-in capital	16,382,000	15,114,000
Retained earnings	93,556,000	78,788,000
Equity adjustment	(451,000)	(333,000)
Treasury stock	(12,000)	(21,000)
Total Liabilities & Shareholders' Equity	$ 226,047,000	$ 243,282,000

* Inventory of merchandise for resale and parts are stated at cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.67	6.42
%Net Income to Sales	3.44	3.19
%Net Income to Equity	15.90	16.46
Sales to Inventories	7.58	6.97
Debt to Equity	0.24	0.34
Working Capital	$111,329,000	$111,146,000
Current Ratio	2.43	2.15
Shareholders' Equity	$120,218,000	$104,184,000

Kearney National Inc.

Two Continental Towers
1701 Golf Road
Rolling Meadows, Illinois 60008
(312) 593-6046

Officers: Bushrod W. Burns, Jr., chairman of the board; Robert R. Dyson, vice chairman & chief executive officer;

Kearney National Inc.

James A. Jaffe, president & chief operating officer; Joseph L. Aurichio, sr. v.p.-finance & chief financial officer; James F. Zboyovsky,, v.p. & president-Kearney-National (Canada); Ronald W. Keipper, v.p. & president-Wabash Electrical Components Group.

Directors: Bushrod W. Burns, Jr., chairman; Richard A. Donovan, Robert R. Dyson, Dante C. Fabiani, John C. Harding III, James A. Jaffe, Joseph v. Mariner, Jr., Lee L. Davenport.

Areas of Work: The Company's operations are conducted in two principal industry segments: Electrical Power Distribution Products—protective devices such as fuses and fuse links, cutouts and lightning arresters; maintenance equipment, including overhead cover-up products and hi-line tools; connectors, terminators and compression fittings; and power switching equipment, switchgear and indoor and outdoor bypass equipment, as well as architectural products and aluminum lighting and traffic structures; and Electrical and Electronic Components—electrical coils, reed switches, reed relays, mercury wetted relays, control modules, rotors transformers, power supplies, commutation, starters, alternators, solenoids and heavy duty vehicle elements. The Company also manufactures computer memory products.

Divisions:

Electrical Power Distribution Products

Kearney Division
1928 Montreal Road
Tucker, Georgia 30084

Kearney-National (Canada) Ltd.
280 Speedvale Avenue West
Guelph, Ontario N1H 1C4
Canada

Hapco/American Division
Hillman Highway
Abingdon, Virginia 24210

K-P-F Electric
1624 East Alpine Avenue
Stockton, California 95208

Computer Memory Products

Wabash DataTech, Inc.
Two Continental Towers
1701 Golf Road Suite 400
Rolling Meadows, Illinois 60008

Wabash DataTech (Australia) Pty. Ltd.
Unit 6
25 George Street
Homebush, N.S.W. 2140
Australia

Wabash DataTech (Canada) Inc.
5159 Bradco Blvd.
Mississauga, Ontario L4X 2A6
Canada

Wabash DataTech International Limited
1 Trinity Square
South Woodham Ferrers
Chelmsford
Essex, England CM3 6JF

Electrical and Electronic Components

Kearney/Wabash Electrical Components Group
7315 West Jefferson Blvd.
Fort Wayne, Indiana 46804

Magnetics Division
1375 Swan Street
Huntington, Indiana 46750

Relay & Electronics Division
First & Webster Streets
Wabash, Indiana 46992

Wabash-Mexico Division
#9 Zane Grey Road
El Paso, Texas 79906

Autoelectric Group

Wabash Autoelectric Components Division
1420 Forum Way South
Fort Worth, Texas 76140

International Products & Manufacturing, Inc.
201 W. Oakton Street
Des Plaines, Illinois 60017

Lodi Division
604 Wooster St.
Lodi, Ohio 44254

Acquisition(s):

Alomeg Products, Inc.
90 Milvan Drive
Weston, Ontario M9L 1Z6
Canada

Manufactures field coils for the automotive electrical rebuilding industry.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street - 8th Floor
New York, New York 10001

Stock Exchange(s): American

Ticker Symbol: KNY

Number of Employees:

1985 2,000

Sales and Earnings

	Net Sales +	Net Income
1985	$ 140,783,000	$ (24,299,000)
1984	139,464,000	5,457,000
1983	118,027,000	9,414,000
1982	120,842,000	7,591,000
1981	130,094,000	6,793,000

	No. of Com. Shares ‡	Earn. per Share #
1985	3,384,017	$ —
1984	3,414,611	0.96
1983	3,393,425	1.65
1982	3,348,627	1.34
1981	3,336,252	1.21

(Loss)
+ Of continuing operations only.
‡ Adjusted to reflect stock split.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Electrical & electronic components	$ 76,656,000	$ 84,178,000
Electrical power distr. prods.	64,127,000	55,286,000
Total	$ 140,783,000	$ 139,464,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.40	—	—
1984	0.38	—	—
1983	0.32	—	3-for-2
1982	0.20	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1985	$ 9,799,000	$ 2.90
1984	38,079,000	11.15
1983	35,906,000	10.58
1982	29,198,000	8.72
1981	24,248,000	7.27

‡ After allowing for preferred stock at stated value.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 140,783	$ 139,464
Cost of sales	99,336	98,108
Expenses	26,518	24,829
Interest expense	3,528	4,062
Other expense (income)	738	(829)
Income before taxes	$ 10,663	$ 13,294
Income taxes	5,094	5,048
Inc.-cont. oper.	$ 5,569	$ 8,246
Loss - discont. oper.	(29,868)	(2,789)
Net Income (Loss)	$ (24,299)	$ 5,457

* Included in Costs and Expenses, Depreciation and Amortization: $3,408,000 in 1985 and $3,187,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 304	$ 2,704
Accts. receiv., net	28,682	30,796
*Inventories	24,856	27,618
Deferred inc. tax benefits	4,895	2,311
Prepaid expenses	506	470
Current Assets	$ 59,243	$ 63,899
#Fixed assets	27,986	34,992
Other assets	3,286	5,093
Intangibles	5,292	27,965
Total Assets	$ 95,807	$ 131,449

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 4,368	$ 4,843
Accts. payable	18,736	19,884
Accruals	15,024	14,378
Income taxes	621	269
Curr. Liabilities	$ 38,749	$ 39,374
Long-term debt	28,325	35,401
Other liabilities	2,666	2,744
Def. inc. taxes	1,268	1,351
+ Preferred stock	15,000	15,000
+ + Common stock	1,722	1,707
Add. paid-in capital	8,729	8,675
Retained earnings	810	28,271
Treasury stock	(620)	—
For. curr. trans. adj.	(842)	(574)
Total Liabilities & Shareholders' Equity	$ 95,807	$ 131,949

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $0.50 par value.

Statistical Summary

	1985	1984
%Net Income to Equity	—	10.28
Sales to Inventories	5.66	5.61
Debt to Equity	1.32	0.76
Working Capital	$20,494,000	$24,525,000
Current Ratio	1.53	1.62
Shareholders' Equity	$24,799,000	$53,079,000

Keithley Instruments, Inc.

28775 Aurora Road
Solon, Ohio 44139
(216) 248-0400

Officers: Joseph F. Keithley, chairman of the board; Thomas G. Brick, president & chief exec. officer; Terrence E. Sheridan, v.p.-radiation measurements division; Gregory R. Bigadza, v.p.-instrument division; Bruce Griswold, secretary; Ronald M. Rebner, v.p.-control & treasurer; Noel E. Morgan, v.p.-systems division.

Directors: Theodore M. Alfred, Donald M. Alstadt, Thomas G. Brick, Joseph F. Keithley, Thomas W. Mastin, Bruce Griswold, James T. Bartlett, Angel G. Jordan.

Areas of Work: The main product line consists of voltage, current and resistance measuring instruments; digital multimeters, electrometers, picometers, amplifiers and power supplies, and linear programmable testers for semiconductor manufacturers.

Divisions:

Radiation Measurements Division

Instrument Division

Systems Division

Data Acquisition & Control Division

All at:
28775 Aurora Road
Cleveland, Ohio 44139
(216) 248-0400

Subsidiaries:

Keithly International Investment Corporation
28775 Aurora Road
Solon, Ohio 44139
(216) 248-0400

Keithley Foreign Sales Corporation
5 Norre Gade
Charlotte Amalie
St. Thomas
U.S. Virgin Islands 00801

Keithley Instruments, SARL
2 bis rue Leon Blum
B.P. 60
91121 Palaiseau Cedex
France

Keithley Instruments, BV
Arkelsedijk 4
Posthus 559
Gorinchem (Amsterdam)
The Netherlands AN-4200

Keithley Instruments, S.A.
Kriesbachstrasse 4
CH-8600 Dubendorf (Zurich)
Switzerland

Keithley Instruments, Ges.m.b.H.
Doblinger Hauptstrasse 32
A-1190 Vienna
Austria

Keithley Instruments, Ltd.
1 Boulton Road
Reading, Berkshire, England RG2 ONL

Keithley Instruments, GmbH
Heiglhofstrasse 5
D-8000 Munich 70, West Germany

Transfer Agent(s):

AmeriTrust National Association
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KEII (NASDAQ)

Number of Employees:

1985	483	1982	461
1984	463	1981	467
1983	446		

Plant Footage:

1981	82,600 sq. ft.

Sales and Earnings

	Net Sales	Net Income #
1985	$ 47,087,000	$ 2,821,000
1984	45,557,000	4,205,000
1983	35,034,000	2,002,000
1982	33,106,000	1,551,000
1981	29,727,000	150,000

	No. of Com. Shares +	Earn. per Share †#
1985	2,229,763	$ 1.27
1984	2,202,453	1.92
1983	2,179,260	0.92
1982	2,162,760	0.72
1981	2,144,760	0.07

+ Adjusted to reflect stock split.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.
# Including extraordinary gain of $172,000 ($0.08 per share) in 1983.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.182	—	3-for-1
1984	0.067	—	—
1983	0.057	—	—
1982	0.053	—	—
1981	0.033	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 17,298,000	$ 7.76
1984	14,241,000	6.47
1983	10,064,000	4.62
1982	8,094,000	3.74
1981	6,734,000	3.14

† Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 47,087,000	$ 45,557,000
Cost of sales	19,649,000	19,313,000
Expenses	23,265,000	20,969,000
Interest expense	236,000	216,000
Sale of prod. line	(164,000)	—
Income before taxes	$ 4,101,000	$ 5,059,000
Income taxes	1,280,000	854,000
Net Income	$ 2,821,000	$ 4,205,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,895,000 in 1985 and $1,503,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 3,234,000	$ 632,000
Accts. receiv., net	7,411,000	8,784,000
*Inventories	8,529,000	8,934,000
Prepaid expenses	1,237,000	1,024,000
Current Assets	$ 20,411,000	$ 19,374,000
#Fixed assets	6,991,000	5,248,000
Intangibles	1,068,000	1,596,000
Other assets	399,000	201,000
Total Assets	$ 28,869,000	$ 26,419,000

Liabilities

Short-term debt & long-term debt, curr.	$ 806,000	$ 2,071,000
Accts. payable	3,027,000	2,247,000
Accrued payroll	2,344,000	3,127,000
Accruals	1,138,000	1,269,000
Income taxes	852,000	1,303,000
Deferred income taxes	—	378,000
Curr. Liabilities	$ 8,167,000	$ 10,395,000
Long-term debt	2,382,000	1,108,000
Deferred compensation	560,000	400,000
Deferred inc. taxes	462,000	275,000
+ Common stock:		
Class A	37,000	37,000
Class B	75,000	—
Add. paid-in capital	1,443,000	1,362,000
Retained earnings	15,863,000	13,260,000
Foreign curr. transl.	9,000	(232,000)
Stock plan	(129,000)	(186,000)
Total Liabilities & Shareholders' Equity	$ 28,869,000	$ 26,419,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.71	11.10
%Net Income to Sales	5.99	9.23
%Net Income to Equity	16.31	29.53
Sales to Inventories	5.52	5.10
Debt to Equity	0.18	0.22
Working Capital	$12,244,000	$8,979,000
Current Ratio	2.50	1.86
Shareholders' Equity	$17,298,000	$14,241,000

Keltron Corporation

225 Crescent Street
Waltham, Massachusetts 02154
(617) 894-8700

Officers: David S. Wilbourn, chief executive officer & treasurer; Harvey M. Fox, president; Jack H. Calechman, clerk.

Directors: David S. Wilbourn, chairman; John A. Geishecker, Jr., Harvey M. Fox, Jason Weisman.

Areas of Work: Manufactures and markets digital electronics, power supplies and security alarm systems.

Divisions:

Elasco Power Supply
Manufactures transformers and other power supplies.

Transfer Agent(s):

State Street Bank and Trust Company
225 Franklin Street
Boston, Massachusetts 02101

Stock Exchange(s): Over-the-Counter

Number of Employees:

1984	275	1981	230
1983	240	1980	250
1982	210		

Plant Footage:

1984	74,000 sq. ft.	1981	90,000
1983	67,000	1980	75,000
1982	67,000		

Sales and Earnings

	Revenues	Net Income
1984	$ 9,694,423	$ 36,053
1983	8,227,902	117,986
1982	7,922,008	31,045
1981	8,398,945	32,066
1980	7,350,548	213,572

	No. of Com. Shares	Earn. per Share ‡
1984	841,810	$ 0.04
1983	841,810	0.14
1982	841,810	0.04
1981	841,810	0.04
1980	841,810	0.25

‡ Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1984	1983	1982	1981
Digital Instruments	25%	26%	29%	26%

Keltron Corporation

Printed Circuits	—	—	10	10
Power Supplies	75	74	61	64
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 1,853,790	$ 2.20
1983	1,817,737	2.16
1982	1,699,751	2.02
1981	1,668,706	1.98
1980	1,636,640	1.94

Income Account *

Year ended Dec. 31	1984	1983
Net sales	$ 9,255,367	$ 8,099,088
Gain on sale	333,163	16,659
Rental income	50,000	55,000
Other income	55,893	57,155
Total Income	$ 9,694,423	$ 8,227,902
Cost of sales	6,557,204	5,348,950
Expenses	2,616,542	2,351,850
Depreciation & amortization	248,615	229,467
Interest expense	231,879	166,849
State inc. taxes	4,130	12,800
Net Income	$ 36,053	$ 117,986

Assets

As of Dec. 31	1984	1983
Cash	$ 8,701	$ 83,280
Marketable securities	37,549	21,719
Accts. receiv., net	2,237,296	1,530,096
*Inventories	2,387,832	1,867,903
Prepaid expenses	4,175	12,179
Current Assets	$ 4,675,553	$ 3,515,177
#Fixed assets	758,674	827,069
Note receivable	388,821	—
Other assets	15,066	28,634
Total Assets	$ 5,838,114	$ 4,370,880

Liabilities

Notes payable	$ 1,303,307	$ 626,633
Long-term debt, curr.	193,893	130,632
Accts. payable	1,347,726	798,140
Accruals	232,904	157,117
Commissions payable	152,253	118,802
Income taxes	4,130	12,803
Curr. Liabilities	$ 3,234,213	$ 1,844,127
Long-term debt	750,111	709,016
+ Common stock	8,418	8,418
Add. paid-in capital	423,222	423,222
Retained earnings	1,422,150	1,386,097
Total Liabilities & Shareholders' Equity	$ 5,838,114	$ 4,370,880

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Net Income to Revenues	0.37	1.46
%Net Income to Equity	1.94	6.49
Sales to Inventories	3.87	4.34
Working Capital	$1,441,340	$1,671,050
Current Ratio	1.44	1.91
Shareholders' Equity	$1,853,790	$1,817,737

Kevex Corporation

1101 Chess Drive
Foster City, California 94404
(415) 573-5866

Officers: Glenn T. Seaborg, chairman of the board; Richard S. Frankel, president & chief executive officer; Michael A. Kelly, exec. v.p. & chief operating officer; John W. Colby, v.p.; Richard O. Faria, controller & secretary; Brian Skillicorn, v.p. & mgr.-Kevex X-Ray Tube Division.

Directors: Glenn T. Seaborg, chairman of the board; Clifford H. Higgerson, Stanley T. Lesser, William E. Terry; Richard S. Frankel, Henry P. Massey, Jr., Michael A. Kelly.

Business Activities: The company designs, manufactures and markets analytical instruments known as X-Ray energy spectrometer (XES) systems, which are used to determine the concentration of various chemical elements in organic and inorganic materials without altering or destroying the specimen being examined. The XES systems are used in the semiconductor industry to analyze thin films and coatings on silicon wafers. Other applications include medical research, industrial alloy analysis and bulk analysis of minerals, ores, oil and oil additives.

Divisions:

Kevex Analytical Instrument Division

X-Ray Tube Division

Subsidiaries:

Kevex/United Kingdom
Kevex Corporation (UK)
2 The Howard Estate
Chilton Road
Chesham, Bucks, HPS 2AU
United Kingdom

Kevex/Spain
Kevex España S.A.
Prado Tornero
C/Cervantes 13
El Escorial (Madrid)
Spain

Acquisition(s):

Surface Science Laboratories
Mountain View, California

Affiliates:

GETAC, GmbH (19% owned)
Mainz-Finthen, West Germany

Transfer Agent(s):

Bank of America
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KEVX (NASDAQ)

Number of Employees:

1985	362	1982	277
1984	330	1981	275
1983	242		

Plant Footage:

1985	140,000 sq. ft.	1983	100,000
1984	100,000	1982	100,000

Sales and Earnings +

	Revenues	Net Income
1985	$ 26,106,000	$ 149,000
1984	23,030,000	2,125,000
1983	18,275,000	134,000
1982	21,585,000	2,209,000
1981	19,808,000	2,413,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	5,143,985	$ 0.03
1984	5,243,149	0.41
1983	5,174,111	0.03
1982	N.A.	0.43
1981	N.A.	0.66

N.A. - Not Available.
+ Restated to include operations of Surface Science Laboratories, Inc., acquired on a pooling of interests basis.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity ‡

	Total Equity	Equity Per Share †
1985	$ 28,712,000	$ 5.58
1984	28,495,000	5.43
1983	27,477,000	5.31
1982	14,955,000	N.A.
1981	11,957,000	N.A.

N.A. - Not Available.
‡ Restated.
† Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Income Account *

Year ended July 31	1985	1984 ‡
Revenues	$ 26,106,250	$ 23,030,091
Cost of sales & services	14,757,094	11,801,889
Expenses	12,334,776	10,829,584
Other income	(1,021,909)	(1,309,396)
Interest expense	143,980	95,712
Income (loss) before taxes	$ (107,691)	$ 1,612,302
Tax credit	(257,002)	(513,068)
Net Income	$ 149,311	$ 2,125,370

‡ Restated.
* Included in Costs and Expenses, Depreciation and Amortization: $1,490,499 in 1985 and $1,361,281 in 1984.

Assets

As of July 31	1985	1984 ‡
Cash	$ 202,840	$ 286,370
Short-term invest.	7,778,688	11,273,351
Accts. receiv., net	4,528,703	5,602,573
Interest and other receiv.	113,798	185,201
Deferred inc. tax benefits	538,019	538,019
*Inventories	8,615,910	6,425,841
Income tax refund	757,774	—
Prepaid expenses	112,371	90,702
Current Assets	$ 22,648,103	$ 24,402,057
#Fixed assets	11,240,597	10,306,093
Other assets	462,341	89,176
Total Assets	$ 34,351,041	$ 34,797,326

Liabilities

Accts. payable	$ 1,367,170	$ 1,042,122
Long-term debt, curr.	482,536	199,769
Income taxes payable	—	415,392
Fut. warranty costs	880,889	689,685
Deferred maint-agreement	546,512	458,377
Cust. deposits	367,988	1,142,849
Other liabilities	918,816	1,044,963
Curr. Liabilities	$ 4,563,911	$ 4,993,157
Deferred inc. taxes	846,596	682,254
+ Common stock	228,166	626,982
Add. paid-in capital	—	—
Retained earnings	—	—
Total Liabilities & Shareholders' Equity	$ 5,638,673	$ 6,302,393

‡ Restated.
* At lower of cost (FIFO average) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	7.00
%Net Income to Revenues	0.57	9.23

%Net Income to Equity	0.52	7.46
Debt to Equity	0.02	0.01
Working Capital	$18,084,192	$19,408,900
Current Ratio	4.96	4.89
Shareholders' Equity	$28,712,368	$28,494,933

Kevlin Microwave Corporation

26 Conn Street
Woburn, Massachusetts 01801
(617) 935-4800

Officers: James S. Galbraith, chairman of the board; Ernest W. Lattanzi, president & chief executive officer; John J. Moran, v.p. & clerk; James A. Tracy, treasurer.

Directors: James S. Galbraith, chairman; Ernest W. Lattanzi, John J. Moran, David Harkins, Bernard Planksy.

Areas of Work: Engaged in the production of R.F. rotary joints which are used to couple rotating radar antennas to stationary transmitters and receivers; also engaged in machine jobbing work.

Segments:

Microwave Products
Precision Machine Services

Kevlin International, Inc. (FSC)

Transfer Agent(s):

Bank of Boston
The 100 Federal Street
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KVLM (NASDAQ)

Number of Employees:

1985	115	1982	72
1984	104	1981	66
1983	85		

Plant Footage:

1985	30,000 sq. ft.	1982	30,000
1984	30,000	1981	26,000
1983	30,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 8,839,837	$ 980,420
1984	7,517,663	785,154
1983	5,928,910	556,672
1982	4,468,366	377,856
1981	4,163,503	297,736

	No. of Com. Shares #	Earn. per Share #
1985	2,606,155	$ 0.38
1984	2,500,720	0.31
1983	2,325,814	0.24
1982	2,421,582	0.16
1981	2,367,978	0.13

# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 5,348,093	$ 2.19
1984	4,387,697	1.86
1983	2,349,451	1.15
1982	1,730,746	0.88
1981	1,610,391	0.73

Income Account *

Year ended May 31	1985	1984
Net sales	$ 8,839,837	$ 7,517,663
Cost of sales	5,357,628	4,648,945
Expenses	1,931,978	1,575,365
Other income	(222,345)	(111,166)
Income before taxes	$ 1,772,576	$ 1,404,519
Income taxes	792,156	619,365
Net Income	$ 980,420	$ 785,154

* Included in Costs and Expenses, Depreciation: $320,998 in 1985 and $220,244 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 2,989,411	$ 2,352,005
Accts. receiv., net	1,433,702	1,533,470
*Inventories	1,028,585	619,571
Exc. costs on uncomp. contracts	638,782	743,991
Prepaid expenses	47,573	36,557
Current Assets	$ 6,138,053	$ 5,285,594
#Fixed assets	1,669,770	1,331,765
Total Assets	$ 7,807,823	$ 6,617,359

Liabilities

Accts. payable	$ 525,650	$ 312,574
Billings in exc. of costs on uncomp. cont.	21,771	24,008
Accruals	703,671	602,115
Income taxes	306,923	364,004
Deferred inc. taxes	594,327	655,648
Obligation under capital lease, curr.	21,882	19,091
Curr. Liabilities	$ 2,174,224	$ 1,977,440
Deferred income taxes	208,494	153,580
Oblig. under capital lease	77,012	98,642
+ Common stock	275,738	264,338
Add. paid-in capital	1,602,791	1,464,428
Retained earnings	3,925,274	2,944,854
Treasury stock	(455,710)	(285,923)
Total Liabilities & Shareholders' Equity	$ 7,807,823	$ 6,617,359

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value

Statistical Summary

%Income bef. Taxes to Sales	20.05	18.68
%Net Income to Sales	11.09	10.44
%Net Income to Equity	18.33	17.89
Sales to Inventories	8.59	12.13
Debt to Equity	0.02	0.03
Working Capital	$3,963,829	$3,308,154
Current Ratio	2.82	2.67
Shareholders' Equity	$5,348,093	$4,387,697

Kidde, Inc.

(formerly Walter Kidde & Company, Inc.)

Park 80 West-Plaza Two
Box 5555
Saddle Brook, New Jersey 07662
(201) 368-9000

Officers: Fred R. Sullivan, chairman & president; Bernard N. Ames, vice chairman; S. Harrison Dogole, Leonard T. Riccardo, sr. v.p.'s; Richard P. Barnitt, sr. v.p. & controller; David R. Ficca, exec. v.p. & secretary; John L. Kidde, Harvey S. Ekenstierna, Louis T. Tedeschi, Kevin M. Sheridan, Francis V. Lloyd, v.p.'s; William B. McBride, v.p. & treasurer; Agnes Marden, asst. secretary; Vincent S. DeLorenzo, asst. controller; Thomas E. Grandell, asst. treasurer.

Directors: Fred R. Sullivan, chairman; Bernard N. Ames, John F. Kidde, Fred E. Braemer, Carl W. Walter, Theron L. Marsh, Norman E. Alexander, Joseph F. McKinney, George T. Scharffenberger, David R. Ficca, Donald A. McMahon.

Areas of Work: Safety, security and protection products, including fire and intrusion protection equipment, testing and enginering equipment and services, and security guard services. Consumer and commercial products, including lighting fixtures and housewares, commercial fixtures and furnishings, consumer products and services. Industrial equipment including materials handling equipment, energy equipment, aircraft equipment, office supplies and equipment, sports and leisure products.

Divisions and Subsidiaries:

Chatas Glass Company, Inc.
570 Broadlawn Terrace
Vineland, New Jersey 08360
(609) 691-5600

Grove Manufacturing (Canada) Ltd.
1051 Heritage Road
Burlington, Ontario, Canada I7L, 4Yi
(416) 335-3863

Craig Systems Corporation
10 Industrial Way
Amesbury, Massachusetts 01913-4848
(617) 388-5662
(617) 688-6961

Farberware Division
1500 Bassett Avenue
Bronx, New York 10461
(212) 863-8000

The Ertl Company
Highway 136 and 20
Dyersville, Iowa 52040
(319) 875-2461

Fenwal Incorporated
400 Main Street
Ashland, Massachusetts 01721
(617) 881-2000

Fenwal Controls of Japan, Ltd
No. 3 Mori Building
4-10, 1 Chrome, Nishi Shinbashi
Minato-ku, Tokyo, Japan
03 (503) 1641

Garden State Tanning
215 Lexington Avenue
New York, New York 10016
(212) 679-8910

Kidde Automated Systems
835 Sharon Drive
Westlake, Ohio 44145
(216) 871-9900

Kidde Consultants, Inc
1020 Cromwell Bridge Road
Baltimore, Maryland 21204
(301) 321-5500

Kidde Consultants, Inc.
Hennepin Square - Suite 238
2021 East Hennepin Avenue
Minneapolis, Minnesota 55413
(612) 331-8667

Globe Security Systems, Inc.
2503 Lombard Street
Philadelphia, Pennsylvania 19146
(215) 546-6900

Greenwald Industries Division
1340 Metropolitan Avenue
Brooklyn, New York 11237-1194
(212) 456-6900

Grove Manufacturing Company
P.O. Box 21
Shady Grove, Pennsylvania 17256
(717) 597-8121

Halkey-Roberts Corporation
11600 9th St. No.
St. Petersburg, Florida 33702-1098
(813) 577-1300

The Jade Corporation
3063 Philmont Avenue
Huntingdon Valley, Pennsylvania 19006
(215) 947-3333

Jacuzzi, Inc.
12401 Interstate 30
P.O. Box 8903
Little Rock, Arkansas 72219-8903
(501) 455-1234

Walter Kidde Division
Walter Kidde Drive
P.O. Box 1147
Wake Forest, North Carolina 27587
(919) 556-6811

The Walter Kidde Company Limited
Belvue Road, Northolt
Middlesex, UB5 5QW England
Northolt, England
01-845-7711

Walter Kidde G.m.b.H
P.O. Box 1909/1929
Luner Rennbahn 2
2120 Luneburg, Germany
04131 188014-16

Kidde Consumer Durables Corp.
2 Bala Cynwyd Plaza
333 East City Line Avenue
P.O. Box 804
Bala Cynwyd, Pennsylvania 19004
(215) 668-2227

Kidde Consumer Durables Corp.
World Finance Center
19 Canton Road
Suite 1303-1309, North Tower
Kowloon, Hong Kong
5-8911151

New Jersey Office Supply Division
35 Melanie Lane
Whippany, New Jersey 07981
(201) 386-8900

Douglas Randall Division
6 Pawcatuck Avenue
Pawcatuck, Connecticut 02891
(203) 599-1075

Tucker Housewares
345 Central Street
Leominster, Massachusetts 01453
(617) 537-1621

Weber Aircraft Division
2820 Ontario Street
Burbank, California 91510
(213) 849-1181

Svenska Skumslacknings Aktiebolaget
Box 32
Byggmastaregatan 1
S-44201 Kungalv, 1 Sweden
0303/150 70

Adams Plastics
Grandview Avenue (Between Lafayette and Taylor)
P.O. Box 25
Bellevue, Kentucky 41073
(606) 431-3800

AMS Industries, Inc.
5 Barbara Lane
P.O. Box 370 - West Side Station
Worcester, Massachusettts 01602
(617) 752-7074

Apple, David, Office Equipment &
Stationery Co., Inc.
223 Ellison Street
Paterson, New Jersey 07505
(201) 278-3317

Architectural Area Lighting
14249 Artesia Boulevard
La Mirada, California 90638
(213) 921-7766

Artesanias Baja, S.A.
(Office and Plant)
Blvd. Alivio Norte No. 25
Cd. Industrial Nueva Tijuana
Tijuana, Baja California, Mexico
(706) 682-0661

(Mailing Address)
P.O. Box 4418
Chula Vista, California 92011-0340

Associated Environmental Systems Division
10 Industrial Way
P.O. Box 648
Amesbury, Massachusetts 01913-4848
(617) 388-5662

Associated Testing Laboratories, Inc.
53 Second Avenue
Burlington, Massachusetts 01803
(617) 272-9050

Bayless Stationers, Inc.
2790 East Del Amo Boulevard
Carson, California 90221
(213) 604-3900

Bear Archery
Rural Route 4
4600 Southwest 41st Boulevard
Gainesville, Florida 32601
(904) 376-2327

Bucka, Spiero Comercio
Industria e Importacao Ltda.
Walter Kidde S.A.
Industria e Comercio
2148 Av. Santa Marina
Caixa Postal 3322
P.O. Box 3322
Sao Paulo, Sao Paulo, Brazil
266-0322, 266-6360

Burke, E.J., Security Systems, Inc.
2503 Lombard Street
Philadelphia, Pennsylvania 19146
(215) 545-8226

Business Products, Inc.
160 Avon Street
Stratford, Connecticut 06901
(203) 377-1776

Byron, W.D., & Sons, Inc.
Williamsport, Maryland 21795
(301) 223-7500

Computrol Corporation
15 Ethan Allen Highway
Ridgefield, Connecticut 06877-6297
(203) 544-9371

Consulta-Search
2503 Lombard Street
Philadelphia, Pennsylvania 19146
(215) 546-6900

Continental Office Supply, Inc.
13830 Harry Hines Blvd.
Dallas, Texas 75234
(214) 247-9668

De Boer's Fabrieken B.V.
Cruquiusweg 118
1019 AK Amsterdam, Netherlands
P.O. Box 4105
1009 AC Amsterdam, Netherlands
020-654001

Devine Lighting, Inc.
4645 East 11th Street
Kansas City, Missouri 64127
(816) 241-9440

Douglas Randall Division
6 Pawcatuck Avenue
Pawcatuck, Connecticut 02891
(203) 599-2075

Dresher Brothers
101 Hudson Street
Hackensack, New Jersey 07601
(201) 489-9133

Dura Steel/P & G Products Co.
13901 S. Carmenita Road
Santa Fe Springs, California 90670
(213) 773-0141

(Mailing Address)
Box 54175
Los Angeles, California 90051

EAM, Inc.
Route 113
Skippack, Pensylvania 19474
(215) 584-4284

Fashion, Inc.
15450 West 108th Street
Lenexa, Kansas 66219
(913) 888-8111

Fenwal Electronics Division
63 Fountain Street
Framingham, Massachusetts 01701
(617) 872-8841

Fire Control Instruments, Inc.
269 Grove Street
Newton, Massachusetts 02166
(617) 965-2010

Tose & Fowler
1300 Meylert Avenue
Scranton, Pennsylvania 18509
(717) 344-8693

Fukada-Kidde Company, Ltd.
No. 1-5, 3-Chome Mita
Minato-Ku, Tokyo, 108 Japan
(03) 451-5451

Gesellschaft fur Geratebau mbH
Hannoversche Strase 72
4600 Dortmund-1
Dortmund, Germany
West Germany
(49-231) 594066, -67, -68

GFG Gas Electronics
(Mailing Address)
P.O. Box 1078
Coraopolis, Pennsylvania 15108-6078

(Visiting Address)
600 N. Bell Avenue S-210
Carnegie, Pennsylvania 15106
(412) 269-9200

Halkey-Roberts Europe
181 Tarring Road
Worthing, West Susex, England BN11 4HL
Worthing, England
(0903) 37216

Indalux
1736 Dreman Avenue
Cincinnati, Ohio 45223
(513) 541-3486

Integralite Division
750 Almeda-Genoa Road
Houston, Texas 77045

P.O. Box 45919
Houston, Texas 77245
(713) 433-4511

Inter-Globe Security Services Ltd.
Inter-Globe House
3-11 Gorst Road
London, N.W. 10 GLA
London, England
011-44-1-965-9741 (direct dial)

Isles Industries, Inc.
576 Explorer Street
Brea, California 92621
(714) 529-2126

Jacuzzi Bros. Division
12401 Interstate 30
P.O. Box 8903
Little Rock Arkansas 72219-8903
(501) 455-1234

Jacuzzi Canada Ltd.
330 Humberline Drive
Rexdale, Ontario, Canada M9W 1R5
(416) 675-3333

Jacuzzi (Chile) S.A.
Camino Melipilla 6843
P.O. Box 46 Cerrillos
Cerrillos, Santiago, Chile
57-5408

Jacuzzi Do Brasil
Caixa Postal, 285
Rodivia SP-79 - Km. 53.5
Itu, Sao Paulo, Brazil 13300
(011) 409-1711

Jacuzzi Europe S.P.A.
S.S. Pontebbana Km. 97,200
33098 Valvasone (PN) Italia
Pordenone, Italy
(434) 85141

Jacuzzi Universal, S.a.
Km. 339-Carretera
Monterrey-Saltillo
Municipio de Santa Catarlina
Monterrey, N.L. Mexico
46-3000

(Mailing Address)
Apartado Postal 1537
Monterrey, N.L. Mexico

Jacuzzi Whirlpool Bath
100 N. Wiget Lane
Walnut Creek, California 94598

P.O. Drawer J
Walnut Creek, California 94596
(415) 938-7070

Jade Systems
1120 Industrial Highway
Southampton, Pennsylvania 18966
(215) 322-9020

Jet-Phillips, Inc.
750 Almeda-Genoa Road
Houston, Texas 77045
(713) 433-4511

P.O. Box 45919
Houston, Texas 77245

JPL Lighting Division
750 Almeda-Genoa Road
Houston, Texas 77045
(713-4511

P.O. Box 45919
Houston, Texas 77245

Jobs (Temporaries)
2424 Washington Street
P.O. Box 8737
Waukegan, Illinois 60085
(312) 336-0164

JW Lighting, Inc.
750 Almeda-Genoa Road
Houston, Texas 77045
(713) 433-4511

P.O. Box 45919
Houston, Texas 77245

Kent
Grandview Avenue (Between Lafayette and Taylor)
P.O. Box 25
Bellevue, Kentucky 41073
(606) 431-3800

Keystone Lamp Mfg. Corp.
R.D. 4
Slatington, Pennsylvania 18080
(215) 767-3821

Kic Ltd.
Belverdere Building
P.O. Box 509
Hamilton 5, Bermuda
(809) 292-6667

Kidde Business Services, Inc.
200 North Skokie Boulevard
Northbrook, Illinois 60062
(312) 291-4600

Kidde Canada Limited
500 Beech Street
Box 420
Whitby, Ontario, Canada L1N 5S5
(416) 668-3324

Kidde Consumer Durables Corp.
No. 2 Fu Hsing North Road
5F-6
Taipei, Taiwan, Republic of China
(02) 7717083-5

Kidde Credit Corporation
30 Washington Center
Hagerstown, Maryland 21740
(301) 791-7600

Kidde, Walter, Sales & Service Company
736 Fairfield Avenue
Kenilworth, New Jersey 07033
(201) 241-2950

Kidde, Walter, S.A. Industria E. Comercio
2148 Av. Santa Marina
Caixa Postal 3322
P.O. Box 3322
Sao Paulo, Sao Paulo, Brazil 02732
266-0322, 266-6360

Kim Lighting, Inc.
16555 East Gale Avenue
P.O. Box 1275
City of Industry, California 91749-1275
(818) 968-5666

Kraftbilt
7659 East 46th Place
Tulsa, Oklahoma 74145
(918) 626-1260

P.O. Box 800
Tulsa, Oklahoma 74101

Light Systems
11600 Ninth Street North
St. Petersburg, Florida 33702-1098
(813) 577-1300

Marvin Electric Manufacturing Company
6100 S. Wilmington Avenue
Los Angeles, California 90001
(213) 583-6551

Kidde Fire Protection Systems, Inc.
10649 Haddington Drive - Suite 160
Houston, Texas 77043
(713) 827-9151

Kidde France
Zon Industrielle
Migennes 84900, France
(86) 80 15 89

Kidde General Fire Limited
St. Florian House, Milton Road
Wokingham, Berkshire RG11 1DB, England
(0734) 790707

Kidde, Inc.
Park 80 West - Plaza Two
Box 555
Saddle Brook, New Jersey 07662
(201) 368-9000

Kidde Recreation Products Group
500 North Skokie Boulevard
Northbrook, Illinois 60067
(312) 291-4600

Kidde Recreation Products (Canada)
543 Conestoga Blvd.
Cambridge, Ontario, Canada N1R 6T4
(519) 623-9680

Kidde Systems, Inc.
1010 Cromwell Bridge Road
Baltimore, Maryland 21204
(301) 296-2796

Kidde, Walter, De Mexico, S.A. DE C.V.
Geranio #336, Esq. Tilos
06430 Mexico D.F., Mexico
(905) 583-33-22

McQuiddy Office Designers
110 7th Avenue North
Nashville, Tennessee 37202
(615) 256-5643

Merit Protective Service, Inc.
600 Wyndhurst Avenue - Suite 204
Baltimore, Maryland 21210
(301) 433-5500

Mobilite, Inc.
100 Engineers Road
Hauppage, New York 11788
(516) 234-8900

Newport Plastics Corporation
Derby Road
P.O. Box 466
Newport, Vermont 05855
(802) 334-7941

Nissen Corporation
930 27th Avenue, S.W.
Cedar Rapids, Iowa 52406
(319) 365-7561

Nurses Central Registry
2536 East Indian School Road
Phoenix, Arizona 85016
(602) 957-9031

Personal Care and Companion Service
2530 East Indian School Road
Phoenix, Arizona 85016
(602) 957-9031

PGA Golf
8350 N. Lehigh Avenue
Morton Grove, Illinois 60053
(312) 966-6300

Piedmont Moulding Corporation
2203 Industrial Boulevard
P.O. Box 117
Conyers, Georgia 30207
(404) 483-7203

Professional Nurses Bureau
500 N. Skokie Blvd.
Northbrook, Illinois 60062
(312) 291-4600

Progress Lighting
G Street and Erie Avenue
Philadelphia, Pennsylvania 19134
(215) 289-1200

Rexair, Inc.
900 Tower Drive - Suite 700
Troy, Michigan 48098
(313) 879-2600

Ross-Martin
6504 East 44th Street
Tulsa, Oklahoma 74145
(918) 627-4460

Scott Rice
3717 South Sheridan
Tulsa, Oklahoma 74145
(918) 628-1400

Shadeco, Inc.
4202 Old Bethlehem Pike
Hilltown Industrial Park - Bldg. 2
Telford, Pennsylvania 18969
(215) 723-6606

Spartus Corporation
3856 Oakton Street
Skokie, Illinois 60076
(312) 676-5600
P.O. Box 1200
Skokie, Illinois 60076

Spartus (HK) Limited
World Finance Centre
19 Canton Road

Kowloon, Hong Kong
3-7227081-4

Spaulding, J.H., Company
1736 Dreman Avenue
Cincinnati, Ohio 45223
(513) 541-3486

Stewarts Office Supplies
120 Express Street
Plainview, New York 11803
(212) 347-0688
(516) 822-1470

Survival Technologies Group
11600 Ninth Street North
St. Petersburg, Florida 33702-1098
(813) 577-1300

Sunset/Richards
6000 East Slauson Avenue
City of Commerce, California 90040
(213) 726-6959

Svansake Skum B.V.
Burg. Hogguerstraat 787
1064 EB Amsterdam, Netherlands
Mailing Address: Postbus 8236
1005 AE Amsterdam, Netherlands
020-148944

Tose-Fowler, Inc.
1300 Meylert Avenue
Scranton, Pennsylvania 18509
(717) 344-8693

Treher-Montague, Inc.
10th and Northampton Streets
Easton, Pennsylvania 18042
(215) 253-6151

Universal Gym Equipment, Inc.
930 27th Avenue S.W.
P.O. Box 1270
Cedar Rapids, Iowa 52406
(319) 365-7561

The Valley Company
333 Morton Street
P.O. Box 656
Bay City, Michigan 48707
(517) 892-4536

Victor Temporary Services (U.S.)
500 N. Skokie Boulevard, Suite 300
Northbrook, Illinois 60062
(312) 291-4600

Victor Temporary Services (Canada)
10180 - 102nd Street, Suite 605
Edmonton, Alberta T5J OW5, Canada
(403) 423-2381

Vigon Lighting, Inc.
201 W. Carob Street
Compton, California 90220
(213) 631-6135

Weber Technical Products
10 Industrial Way
P.O. Box 648
Amesbury, Massachusetts 01913-4848
(617) 388-5662

Whiteway-Spaulding-Indalux
1736 Dreman Avenue
Cincinnati, Ohio 45223
(513) 541-3486

Wright Light Division
750 Almeda-Genoa Road
Houston, Texas 77045
(713) 433-4511
P.O. Box 45919
Houston, Texas 77245

Nissen International (Sports Equipment) Ltd.
Tallon Road
Brentwood
Essex CM13 1TT, England
Brentwood 221 122 (STD 0277)

Nissen Trampoline AG
CH 3073
Gumligen, Switzerland
031-52-34-74

Acquisition(s):

American Power Devices, Inc.
7 Andover Street
Andover, Massachusetts 01810
(617) 475-4074

Production of diodes-zener, planar, stabistors four-layer semiconductors.

S&S Personnel
600-A Terminal Tower
Cleveland, Ohio 44113
(216) 781-3100

Tempororary office personnel.

TOPS
4155 East Jewell Street
Suite 908
Denver, Colorado 80222
(303) 758-8677

Temporary office personnel.

Transfer Agent(s):

Chemical Bank
Corporate Trust Dept.
P.O. Box 2861
Church Street Station
New York, New York 10008

Midlantic National Bank
P.O. Box 600
Edison, New Jersey 08818

Stock Exchange(s): New York, Boston, Pacific

Ticker Symbol: KDE

Number of Employees:

1985 32,000

Plant Footage:

1985 . . . . . . 18,800,000 sq.ft.

Sales and Earnings

	Net Sales ‡ (000's)	Net Income
1985	$ 2,164,812	$ 72,245,000
1984	2,087,023	79,138,000
1983	1,863,881	(123,799,000)
1982	1,899,600	84,210,000
1981	2,036,800	99,213,000

	No. of Com. Shares †	Earn. per Share +
1985	21,253,715	$ 3.31
1984	20,513,530	3.75
1983	20,118,302	—
1982	19,971,548	4.02
1981	19,427,620	4.87

(Loss)

‡ Includes other revenues: of continuing operations only.

† Adjusted to reflect stock split.

+ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Industrial & commercial:		
Transportation & other equip.	$ 400,663	$ 405,663
Business & commercial prods. & services	394,567	339,375
Safety, security & protection:		
Fire protection equip.	460,457	439,590
Consumer & recreation:		
Lighting prods. & housewares	457,599	446,531
Sports & leisure prods.	451,700	455,864
Total	$ 2,164,812	$ 2,087,023

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.1625	—	—
1983	1.1125	—	—
1982	1.10	—	—
1981	1.025	—	2-for-1

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 682,286,000	$ 32.07
1984	610,738,000	29.73
1983	553,519,000	27.46
1982	701,648,000	35.05
1981	637,402,000	32.70

‡ After allowing for Series B and Series C preference stock at liquidating values of $90 per share.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 2,164,812	$ 2,087,023
Cost of sales	1,613,919	1,550,035
Expenses	421,840	386,264
Interest expense	40,340	45,237
Other expense	5,122	5,067
Income before taxes	$ 83,591	$ 100,420
Income taxes	35,944	43,176
Inc.-cont. oper.	$ 47,647	$ 57,244
Loss - discont. oper.	24,598	21,894
Net Income	$ 72,245	$ 79,138

* Included in Costs and Expenses, Depreciation and Amortization: $47,941,000 in 1985 and $43,996,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. invest.	$ 26,535	$ 33,999
Accts. receiv., net	448,255	352,076
*Inventories	480,883	496,530
Assets of discont. oper.	158,998	183,714
Prepaid expenses	30,728	33,489
Current Assets	$ 1,145,399	$ 1,099,808
Investments	25,378	30,119
#Fixed assets	313,260	324,137
Other assets	61,683	67,824
Intangibles	991,133	93,115
Assets of discont. oper.	44,582	62,744
Total Assets	$ 1,689,435	$ 1,677,747

Liabilities
(000's)

	1985	1984
Notes payable	$ 114,693	$ 117,124
Long-term debt, curr.	20,704	19,592
Accts. payable	167,235	167,294
Accruals	152,344	154,694
Income taxes	5,444	11,668
Curr. Liabilities	$ 460,420	$ 470,372
Long-term debt	420,975	460,880
Capitalized leases	20,345	23,968
Deferred taxes & credit	60,137	62,839
+ Preferred stock with mand. redemp.	6,199	6,879
+ Preferred stock	434	467
+ + Common stock	26,567	25,642
Add. paid-in capital	219,578	200,654
Retained earnings	474,780	426,046
Total Liabilities & Shareholders' Equity	$ 1,689,435	$ 1,677,747

* At lower of cost (primarily FIFO) or market.

# Less accumulated depreciation and amortization.

+ $1 par value; convertible cumulative.

+ + $1.25 par value.

Statistical Summary

%Net Income to Equity	10.02	12.12
Sales to Inventories	4.50	4.20
Debt to Equity	0.80	0.95

Working Capital	$684,979,000	$629,436,000
Current Ratio	2.49	2.34
Shareholders' Equity	$721,359,000	$652,809,000

KLA Instruments Corporation

2051 Mission College Boulevard
P.O. Box 58016
Santa Clara, California 95052
(408) 988-6100

Officers: Kenneth Levy, president & chief exec. officer; Robert R. Anderson, chairman; Robert J. Boehlke, sr. v.p.; Paul Sandland, v.p.-Advanced Development; Kenneth L. Schroeder, sr. v.p.; Robert M. Walsh, v.p. & treasurer; Paul Kreutz, secretary.

Directors: Robert R. Anderson, chairman of the board; Leo J. Chamberlain, Kenneth Levy, Robert E. Lorenzini, Samuel Rubinovitz, Dag Tellefsen.

Areas of Work: Designs, manufactures, markets and services computer-based systems that are used to automate optical testing and inspection to control manufacture of very large scale integrated (VLSI) circuits. These automated image analysis systems combine advanced optical technology with custom, high-speed digital electronics and proprietary software in replacing the human eye-brain recognition and interpretation traditionally used for optical inspection and testing.

Divisions:

RAPID Division
Wafer Inspection (WISARD) Division
AIM/DATS Division

Subsidiaries:

KLA Instruments Limited
Finchampstead, Berkshire, England

KLA Technology Center Limited
Tokyo, Japan

KLA Management Corporation
KLA PCBI
General Partners for KLA Development partnerships.

Transfer Agent(s):

Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLAC (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 62,878,000	$ 8,802,000
1984	42,873,000	5,664,000
1983	23,396,000	2,928,000
1982	16,162,000	1,510,000
1981	13,132,000	1,116,000

	No. of Com. Shares	Earn. per Share ‡
1985	16,852,874	$ 0.50
1984	16,657,425	0.35
1983	14,901,606	0.20
1982	13,389,396	0.11
1981	N.A.	0.09

N.A. - Not Available.
‡ Based on the weighted average numer of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 62,641,000	$ 3.72
1984	52,439,000	3.15
1983	24,811,000	1.66
1982	10,671,000	0.80
1981	9,100,000	—

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 62,878	$ 42,873
Cost of sales	28,981	20,818
Expenses	22,810	14,305
Interest income	(3,355)	(1,537)
Income before taxes	$ 14,442	$ 9,287
Income taxes	5,640	3,623
Net Income	$ 8,802	$ 5,664

* Included in Costs and Expenses, Depreciation and Amortization: $2,103,000 in 1985 and $980,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash & cash equiv.	$ 15,308	$ 13,239
Marketable securities	6,827	18,327
Accts. receiv., net	15,466	9,722
*Inventories	18,440	10,079
Other curr. assets	704	592
Current Assets	$ 56,745	$ 51,959
#Fixed assets	8,891	6,542
Market. securities	12,844	5,573
Other assets	2,123	989
Total Assets	$ 80,603	$ 65,063

Liabilities
(000's)

	1985	1984
Accts. payable	$ 2,398	$ 2,236
Accrued compens.	4,262	3,576
Accrued warranty	1,606	2,011
Unearned contract revenue	2,717	75
Income taxes	1,217	929
Deferred inc. taxes	2,476	1,617
Other curr. liab.	1,833	1,368
Curr. Liabilities	$ 16,509	$ 11,812
Deferred inc. taxes	1,453	812
+ Common stock	17	17
Add. paid-in capital	42,331	40,931
Retained earnings	20,293	11,491
Total Liabilities & Shareholders' Equity	$ 80,603	$ 65,063

* At lower of cost (FIFO) or market.
# Less accumulated derpeciation and amortization.
+ $0.001 par value.

Statistical Summary

%Income bef. Taxes to Sales	22.97	21.66
%Net Income to Sales	14.00	13.21
%Net Income to Equity	14.05	10.80
Sales to Inventories	3.41	4.25
Working Capital	$40,236,000	$40,147,000
Current Ratio	3.44	4.40
Shareholders' Equity	$62,641,000	$52,439,000

KMW Systems Corporation

8307 Highway 71 West
Austin, Texas 78735
(512) 288-1453

Officers: Richard A. Wells, president & chief exec. officer; Harry D. Keirns, Thomas G. Allen, Jack W. Reidenbach, Iraj Vojdani, Peter J. Robinson, vice presidents; Sadie N. Stewart, controller; Doris Jean Richards, secretary & treasurer.

Directors: Harry D. Keirns, chairman; Richard A. Wells, Frederick R. Klingensmith, Dale M. Mosier, John R. Muse, R. Clarke Heidrick, Jr., Thomas G. Allen, Iraj Vojdani.

Areas of Work: Manufactures electronic systems and equipment for the transmission and processing of computer graphic data, including graphics controllers, protocol converters, and channel interfaces.

Subsidiaries:

KMW Systems International Ltd.
England

Acquisition(s):

Auscom, Inc.
Austin, Texas
High-speed data transmission products.

Transfer Agent(s):

Texas American Bank/Dallas
P.O. Box 35207
Dallas, Texas 75235

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KMWS (NASDAQ)

Number of Employees:

1985	130	1984	72

Sales and Earnings

	Net Sales	New Income
1985	$ 9,867,000	$ 811,000
1984	6,358,000	757,000
1983	3,452,000	420,000
1982	2,024,000	260,000
1981	1,254,000	133,000

	No. of Com. Shares	Earn. per Share ‡
1985	1,426,844	$ 0.58
1984	1,400,587	0.58
1983	1,051,837	0.40
1982	1,043,750	0.25
1981	N.A.	0.13

N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	12½-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 5,693,000	$ 4.11
1984	4,738,000	3.38
1983	970,000	0.92
1982	526,000	0.50
1981	266,000	0.25

‡ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 9,867,419	$ 6,358,036
Cost of sales	4,385,717	2,573,292
Expenses	4,457,640	2,907,351
Interest income	(159,199)	(191,927)
Interest expense	189,121	37,716
Eq. in earn. of subsid.	(59,084)	(15,790)
Income before taxes	$ 1,058,234	$ 1,047,394
Income taxes	247,700	290,000
Net Income	$ 810,524	$ 757,394

* Included in Costs and Expenses, Depreciation and Amortization: $347,030 in 1985 and $163,705 in 1984.

Assets

As of June 30	1985	1984
Cash & cash equiv.	$ 1,469,259	$ 1,735,616
Accts. receiv., net	3,181,702	1,989,059

Refundable taxes	105,129	—
*Inventories	2,273,042	1,394,080
Prepaid expenses	391,636	223,459
Current Assets	$ 7,420,768	$ 5,342,222
Investments	122,600	65,336
Market. equity securities	180,116	468,587
#Fixed assets	1,176,740	637,398
Technology	1,646,598	—
Intangibles	328,833	—
Total Assets	$ 10,875,655	$ 6,513,543

Liabilities

Notes payable	$ —	$ 402,097
Long-term debt, curr.	610,403	25,774
Accts. payable	676,741	445,340
Accruals	405,543	356,126
Income taxes	—	249,000
Accrued profit-sharing	—	93,016
Deferred inc. taxes	196,100	125,100
Curr. Liabilities	$ 1,888,787	$ 1,696,453
Long-term debt	3,126,273	79,386
+Common stock	142,684	140,059
Add. paid-in capital	3,266,133	3,006,188
Retained earnings	2,432,276	1,621,752
Loss on invest. in secur.	(3,884)	(30,295)
For. curr. trans. adjust.	23,386	—
Total Liabilities & Shareholders' Equity	$ 10,875,655	$ 6,513,543

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.14	16.47
%Net Income to Sales	12.18	11.91
%Net Income to Equity	8.88	12.92
Sales to Inventories	2.48	2.80
Debt to Equity	0.11	0.64
Working Capital	$3,645,769	$5,531,981
Current Ratio	3.15	3.93
Shareholders' Equity	$4,737,704	$5,860,595

Knogo Corporation

100 Tec Street
Hicksville, New York 11801
(516) 822-4200

Officers: Arthur J. Minasy, president; James R. Dellomo, v.p.-finance, secretary & treasurer; Michael Cooper, v.p.-engineering; Michael Trentacosti, v.p.-operations; Fred Cicchetti, v.p.

Directors: Arthur J. Minasy, James R. Dellomo, Andre Mechelynck, Nicholas Nabokoff, William A. Perlmuth, James Taylor.

Areas of Work: Engaged in the design, manufacture, marketing and service of electronic article surveillance systems primarily use to detect and deter shoplifting.

The RF system, using radio signals, is primarily used in retail clothing stores. The EM system, using electromagnetic signals protects products in a variety of retail establishments, such as bookstores, supermarkets, drugstores, shoe stores and sporting goods stores, is used in museums, libraries and hospitals.

Subsidiaries:

Knogo International Limited (DISC)
100 Tec Street
Hicksville, New York 11801

Knogo S.A.
Route de Wallonie
B-7420 Baudour (Mons)
Belgium

Knogo France S.A.
5 Rue Faustin Helie
75016 Paris
France

Knogo Scandinavia AB
Larsbergstorget 4
181 38 Lidingoe, Sweden

Knogo Italia Srl.
Piazzale Aquileia 6
20144 Milano
Italy

Knogo Deutschland GmbH
Rheinallee 109
6500 Mainz
West Germany

Knogo U.K.

Transfer Agent(s):

Chemical Bank
55 Water Street
New York, New York 10041

Stock Exchange(s): New York

Ticker Symbol: KNO

Number of Employees:

1985	429	1982	352
1984	392	1981	379
1983	372		

Plant Footage:

1985	115,500 sq. ft.	1982	44,500
1984	44,500	1981	70,000
1983	44,500		

Sales and Earnings

	Revenues *	Net Income
1986	$ 36,005,500	$ 5,803,000
1985	30,738,000	4,230,000
1984	26,017,100	3,311,100
1983	21,935,300	1,376,900
1982	11,796,200	(1,854,000)

	No. of Com. Shares	Earn. per Share #
1986	6,673,709	$ 1.19
1985	4,725,933	0.88
1984	5,012,714	0.68
1983	4,264,814	0.32
1982	4,248,214	—

(Loss)
* Includes lease rentals and other income.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 80,653,600	$ 12.09
1985	31,431,000	6.65
1984	32,841,000	6.55
1983	20,066,000	4.71
1982	18,340,000	4.32

Income Account

Year ended Feb. 28	1986	1985
Net sales & rentals	$ 30,554,800	$ 25,453,300
Other income	5,450,700	5,284,700
Total Income	$ 36,005,500	$ 30,738,000
Cost of sales	10,592,200	8,697,200
Expenses	14,936,000	13,249,800
Depreciation & amortization	2,774,600	1,987,000
Interest expense	800,500	127,700
For curr. trans.	(446,900)	164,000
Inc. bef. taxes	$ 7,349,100	$ 6,512,300
Income taxes	1,546,100	2,282,000
Net Income	$ 5,803,000	$ 4,230,300

Assets

As of Feb. 28	1986	1985
Cash	$ 30,624,000	$ 26,683,600
Accts. receiv., net	24,037,600	15,901,800
*Security devices	17,428,800	12,591,400
Investments in sales-type leases	8,405,100	8,547,800
#Fixed assets	6,971,400	4,344,700
Intangibles	635,900	749,800
Defer. charges	1,839,500	4,640,900
Other assets	4,392,500	3,294,100
Total Assets	$ 94,335,200	$ 76,754,100

Liabilities

Notes payable	$ 4,214,100	$ 2,195,800
Accts. payable	2,650,000	1,924,600
Accruals	1,860,400	3,703,800
Income taxes	1,302,700	731,400
Deferred lease rentals	892,400	856,400
Deferred inc. taxes	2,499,700	2,192,400
Subordinated bonds	262,300	33,718,700
+Common stock	70,000	50,500
Add. paid-in capital	62,307,100	29,183,800
Retained earnings	18,334,400	12,531,400
Unamort. deferred comp.	(114,700)	(163,900)
Foreign curr. trans. adj.	2,289,100	(7,938,500)
Treasury stock	(2,232,300)	(2,232,300)
Total Liabilities & Shareholders' Equity	$ 94,335,200	$ 76,754,100

* At cost (FIFO) which is not in excess of replacement value.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	20.41	21.19
%Net Income to Revenues	16.12	13.76
%Net Income to Equity	7.19	13.46
Debt to Equity	0.05	0.07
Shareholders' Equity	$80,653,600	$31,431,000

Kollmorgen Corporation

Administrative Center:
60 Washington Street
Hartford, Connecticut 06106
(203) 547-0600

Management Center:
66 Gate House Road
Stamford, Connecticut 06902
(203) 327-7222

Officers: Robert L. Swiggett, chairman of the board; James E. Swiggett, president & chief executive officer; George P. Stephan, vice-chairman; James K. Branch, president-Photo Research Division; James G. Davidson, president-Macbeth Division; R. Page Burr, sr. scientific officer; John Calpena, president-PMI Motion Technologies Division; Allan M. Doyle, Jr., vice chairman & chief financial officer; Karl A. Egerer, president-Kollmorgen Technologies Corporation; John Endee, president-Photocircuits Division; Edwin M. Felske, v.p.-finance; Donald S. Fischer, v.p.; W.W. Griggs, president-Industrial Drives Division; John L. Helm, president-Proto-Power Corporation; Nick Hodgers, managing director-Inland Division, Kollmorgen (Ireland) Limited; Joseph R. Hoyt, president-Inland Motor Division; Thomas J. Gullo, president-Additive Products Division; William P. Sharpe, president-Questec Enterprises; Pierre Tardieu, president-Artus, S.A.; James P. Thompson, treasurer; Albert J. Benoit, president-Macbeth Process Measurements Division; S. Erek Jenstad, president-Crystal Specialties, Inc.; Walter J. Rizzi, president-Multiwire Division; Thomas J. Samowski, president-PCK Technology Division; John L. Youngblood, president-Electro-Optical Division; Jack R. Walnes, v.p.; Robert N. Williams, v.p.; Robert J. Bollo, controller & chief accounting officer; James A. Eder, secretary; Donald Borod, gen. counsel.

Directors: Robert W. Bjork, W.D. Dance, Allan M. Doyle, Jr.*, Townsend Hornor, John D. Maxwell, Jr., A.J. Powers, Jr., John A. Diaz, Richard Rachals, Robert L. Swiggett*, George P. Stephan*, James E. Swiggett*.

* Member of the Executive Committee.

Areas of Work: Engaged in the development, manufacture and marketing of electronic interconnection boards, special direct current motor and control systems, color and photometry systems and equipment, and electro-optical systems.

Divisions and Subsidiaries:

Additive Products Division
Riverhead, New York

Electro-Optical Division
347 King Street
Northampton, Massachusetts 01060
(413) 586-2330

Industrial Drives Division
201 Rock Road
Radford, Virginia 24141
(703) 639-2495

Inland Motor Division
501 First Street
Radford, Virginia 24141
(703) 639-3973

Photocircuits Division
31 Sea Cliff Avenue
Glen Cove, New York 11542
(516) 448-1000

Macbeth Process Measurements Division
Newburgh, New York

Macbeth Division
P.O. Box 950
Newburgh, New York 12550
(914) 561-7300

PMI Motion Technologies Division
Commack, New York

Multiwire Division
Melville, New York

PCK Technology Division
322 LIE South Service Road
Melville, New York 11747
(516) 454-4400

Photo Research Division
3000 North Hollywood Way
Burbank, California 91502
(213) 843-6100

Questec Enterprises, Inc.
Huntington, New York

Crystal Specialties, Inc.
Portland, Oregon

ISG, Inc.
Keene, New Hampshire

Kollmorgen Technologies Corporation
Dallas, Texas

Kollmorgen Overseas Development Corporation
Wilmington, Delaware

Societe Anonyme Artus
Angers, France

Kollmorgen (Ireland) Limited
Ennis, Ireland

Kollmorgen International Finance N.V.
Curacao, Netherlands Antilles

Kollmorgen Foreign Sales Corporation
St. Thomas, Virgin Islands

Proto-Power Corporation
Groton, Connecticut

PCK Elastomerics, Inc.
Hatboro, Pennsylvania

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: KOL

Number of Employees:

1985	5,000	1982	4,500
1984	5,400	1981	4,500
1983	4,900		

Plant Footage:

1985	1,575,000 sq. ft.	1982	1,200,000
1984	1,300,000	1981	1,100,000
1983	1,300,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 310,982,000	$ (6,366,000)
1984	326,200,000	10,756,000
1983	260,670,000	8,891,000
1982	242,935,000	9,749,000
1981	224,090,000	11,334,000

	No. of Com. Shares #	Earn. per Share †
1985	9,952,992	$ —
1984	10,067,512	1.08
1983	9,950,350	0.91
1982	9,503,598	1.06
1981	9,115,496	1.30

(Loss)
Based on the average number of shares outstanding.
† Based on the weighted average number of common stock and common stock equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electronic interconnections	$ 136,888	$ 158,032
Motors & controls	99,596	98,060
Electro-optical instruments	74,498	70,108
Total	$ 310,982	$ 326,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.32	—	—
1984	0.32	—	—
1983	0.32	—	—
1982	0.32	—	—
1981	0.32	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 99,635,000	$ 9.90
1984	106,153,000	10.71
1983	97,243,000	10.13
1982	90,487,000	9.64
1981	69,978,000	8.20

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 30,982	$ 326,200
Cost of sales	234,075	218,882
Expenses	91,140	86,942
Other expenses	4,880	3,737
Inc. (loss) bef. taxes	$ (19,113)	$ 16,639
Income taxes (credit)	(12,747)	5,883
Net Income (Loss)	$ (6,366)	$ 10,756

* Included in Costs and Expenses, Depreciation and Amortization: $17,608,000 in 1985 and $12,814,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term invest.	$ 11,493	$ 31,838
Receiv., net	63,423	60,272
Receiv. on contracts	9,880	8,872
*Inventories	47,428	40,883
Prepaid expenses	3,366	1,376
Current Assets	$ 135,590	$ 143,241
#Fixed assets	86,972	84,909
Other assets & intangibles	13,331	11,295
Total Assets	$ 235,893	$ 239,445

Liabilities
(000's)

Notes payable	$ 4,525	$ 2,042
Long-term debt, curr.	2,658	2,190
Accts. payable	27,189	21,859
Accruals	24,736	22,365
Income taxes	1,532	—
Deferred taxes	—	1,920
Curr. Liabilities	$ 60,640	$ 50,376
Long-term debt	69,250	69,556
Deferred credits	1,568	1,024
Deferred inc. taxes	4,800	12,336
+ Common stock	25,150	24,777
Add. paid-in capital	25,252	23,661
Retained earnings	51,253	60,805
For. curr. trans. adj.	(2,020)	(3,090)
Total Liabilities & Shareholders' Equity	$ 235,893	$ 239 445

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.10
%Net Income to Sales	—	3.30
%Net Income to Equity	—	10.13
Sales to Inventories	6.56	7.98
Debt to Equity	0.77	0.70
Working Capital	$74,950,000	$ 92,865,000
Current Ratio	2.24	2.84
Shareholders' Equity	$99,635,000	$106,153,000

Koss Corporation

4129 N. Port Washington Avenue
Milwaukee, Wisconsin 53212
(414) 964-5000

Officers: John C. Koss, chairman of the board & president; James L. Dorman, exec. v.p.-operations; Paal Myklebust, v.p.-engineering; Thomas J. Shively v.p.-finance & administration; Dennis P. Wherry, v.p. & secretary; Michael J. Koss, sr. v.p.-corp. development; Herb Horowitz, v.p.-sales & marketing; George J. Magdech, v.p.-operations.

Directors: John C. Koss, chairman; Charles P. Steuber, Lawrence S. Mattson, David B. Stevens, John H. Franz, Brooks S. Stevens, Jerome E. Vielehr, Anthony J. Amendola.

Areas of Work: Manufactures consumer electronics products in three segments-audio/video accessories, audio components, and portable personal listening products.

Subsidiaries:

Koss Limited
4112-4114 South Service Road
Burlington, Ontario, Canada

Calibron Corporation
600 Lake Emma Road
Lake Mary, Florida 32746

Transfer Agent(s):

First Wisconsin Trust Company
First Wisconsin Centre
Milwaukee, Wisconsin 53208

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	$ 18,307,750	$ (8,642,315)
1984	20,272,689	(5,945,291)

1983	21,594,638	(49,095)
1982	23,919,423	1,708,039
1981	25,211,788	2,310,041

	No. of Com. Shares ‡	Earn. per Share ‡
1985	3,485,736	$ —
1984	3,498,601	—
1983	3,803,146	—
1982	3,967,580	0.43
1981	3,604,805	0.64

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	—	—	—
1984	$0.04	—	—
1983	0.16	—	—
1982	0.16	—	3-for-2
1981	0.12	5%	—

‡ Adjusted to reflect stock dividend and stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ (4,412,608)	$ —
1984	4,239,430	1.21
1983	11,731,943	3.08
1982	12,829,696	3.23
1981	10,847,609	3.01

(Deficiency)
‡ Based on the weighted number of common shares and common equivalent shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 18,307,750	$ 20,272,689
Cost of sales	14,124,892	16,070,599
Expenses	5,917,367	9,494,877
Interest expense	1,501,330	1,542,766
Prov. for losses	4,433,376	—
Chap. XI reorg. exp.	973,100	—
Loss before taxes	$ (8,642,315)	$ (6,835,553)
Tax credit	—	(890,262)
Net Loss	$ (8,642,315)	$ (5,945,291)

* Included in Costs and Expenses, Depreciation and Amortization: $890,445 in 1985 and $1,022,315 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 3,496,589	$ 297,964
Accts. receiv., net	3,474,454	4,471,086
*Inventories	3,007,167	9,435,800
Prepaid expenses	43,515	321,403
Income tax benefits	—	231,000
Current Assets	$ 10,021,725	$ 14,757,253
#Fixed assets	3,692,482	5,610,514
Other assets	156,097	1,311,768
Total Assets	$ 13,870,304	$ 21,679,535

Liabilities

Notes payable & long-term debt, curr.	$ 248,872	$ 5,473,528
Accts. payable	664,901	1,673,203
Accruals	961,120	1,265,291
Accruals - plant clos.	764,106	—
Income taxes	26,491	118,890
Curr. Liabilities	$ 2,665,490	$ 8,530,912
Liab. subj. to Chap. XI proc.	15,333,792	—
Long-term debt	283,630	8,909,193
+Common stock	38,193	38,193
Add. paid-in capital	1,229,000	1,241,012
Cum. trans. adjust.	(74,294)	(57,572)
Ret. earnings (deficit)	(3,799,688)	4,842,627
Treasury stock	(1,805,819)	(1,824,830)
Total Liabilities & Shareholders' Equity	$ 13,870,304	$ 21,679,535

* At lower of cost or market. 62% at LIFO; remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	6.09	2.15
Debt to Equity	—	3.39
Working Capital	$ 7,356,235	$6,226,341
Current Ratio	3.76	1.73
Shareholders' Equity (Deficiency)	$(4,412,608)	$4,239,430

Kulicke and Soffa Industries, Inc.

2101 Blair Mill Road
Willow Grove, Pennsylvania 19090
(215) 784-6000

Officers: C. Scott Kulicke, chairman & chief exec. officer; Donald VanLuvanee president & chief operating officer; Daniel Vilenski, Dan Kahan, Mark W. Klug, sr. v.p.'s; Max M. Bycer, James T.H. Chang, George S. Crosby, Ueli Meili, Ronald T. Yamamoto, Graham G. Yeldon, Morton Perchick, Edwin J. Clarke, Gene A. Heiser, v.p.'s.

Directors: C. Scott Kulicke, chairman of the board; Albert Soffa, Frederick W. Kulicke, Jr., Allison F. Page, William Shapiro, Thomas J. Matcovich, Joseph S. Rambo, MacDonell Roehm, Jr., Donald R. VanLuvanee.

Areas of Work: Produces semiconductor manufacturing and assembly equipment, ranging from manual to computer controlled fully automatic and wire and die bonders and microtools.

Divisions:

Semiconductor Machinery Division
  Automatic Bonder Group
  Standard Products Group
  Micro-Swiss Group
Ali at:
  Willow Grove, Pennsylvania

Kulicke and Soffa Industries, Inc
2210 Martin Avenue
Santa Clara, California 95050

Subsidiaries:

Kulso, Ltd.
Advanced Technology Center
P.O. Box 875
Haifa, 31008 Israel

Kulicke and Soffa, A.G.
Baarerstrasse 8
CH-6301
Zug, Switzerland

Kulicke and Soffa (Asia) Ltd.
9th Floor
Fook Cheong Building
63 Hoi Yuen Road
Kwun Tong, Hong Kong

Kulicke and Soffa, (U.K.) Ltd.
Denton Island
Newhaven, East Sussex
England BN9 9BA

Robotiks, Inc.
507 Prudential Road
Horsham, Pennsylvania 19044
(215) 674-2800

Kulicke and Soffa (Japan) Ltd.
No. 5 Koike Bldg., 3rd Floor
1-3-12 Kita-Shinagawa
Shinagawa-Ku
Tokyo 140, Japan

Transfer Agent(s):

Mellon Bank (East)
Philadelphia, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KLIC (NASDAQ)

Number of Employees:

1985	1,294	1982	1,290
1984	1,965	1981	1,055
1983	1,363		

Plant Footage:

1985	280,000 sq. ft.	1982	144,000
1984	272,000	1981	144,000
1983	214,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 125,102,000	$ (489,000)
1984	119,641,000	14,123,000
1983	67,314,000	1,656,000
1982	54,159,000	3,462,000
1981	40,037,000	2,454,000

	No. of Com. Shares #	Earn. per Share #
1985	7,450,871	$ —
1984	7,381,313	1.91
1983	7,332,909	0.23
1982	7,319,508	0.47
1981	7,247,800	0.34

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock split

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.12	—	—
1984	0.08	—	—
1983	0.08	—	2-for-1
1982	0.08	—	—
1981	0.08	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 48,137,000	$ 6.46
1984	48,214,000	6.54
1983	34,393,000	4.68
1982	34,514,000	4.71
1981	31,614,000	4.32

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended Sept. 30	1985	1984
Net sales	$ 125,102,000	$ 119,641,000
Cost of sales	78,964,000	55,692,000
Expenses	45,957,000	38,515,000
Depreciation & amortization	3,452,000	2,249,000
Interest expense	2,558,000	352,000
Inc. (loss) bef. taxes	$ (5,829,000)	$ 22,833,000
Income taxes (credit)	(5,340,000)	8,710,000
Net Income (Loss)	$ (489,000)	$ 14,123,000

Assets

As of Sept. 30	1985	1984
Cash	$ 1,871,000	$ 2,015,000
Time deposits	4,972,000	971,000
Restricted cash	500,000	500,000
Investments	10,614,000	24,586,000
Accts. & notes receiv., net	16,814,000	29,184,000

*Inventories	39,318,000	34,527,000
Prepaid expenses & other assets	659,000	788,000
Prepaid inc. taxes	13,568,000	5,402,000
Current Assets	$ 88,316,000	$ 97,973,000
#Fixed assets	24,526,000	16,033,000
Deferred debts and other assets	1,939,000	1,385,000
Total Assets	$ 114,781,000	$ 115,391,000
Liabilities		
Long-term debt, curr.	$ 3,179,000	$ 2,119,000
Accts. payable	8,229,000	11,027,000
Dividends payable	—	149,000
Accruals	8,738,000	9,270,000
Income taxes	3,824,000	2,324,000
Curr. Liabilities	$ 23,970,000	$ 24,889,000
Long-term debt	36,401,000	36,301,000
Other liabilities	288,000	350,000
Deferred inc. taxes	5,985,000	5,610,000
+ Common stock	11,921,000	11,036,000
Add. paid-in capital	88,000	88,000
Retained earnings	37,559,000	38,941,000
Cum. trans. adjust.	(1,152,000)	(1,674,000)
Treasury stock	(279,000)	(150,000)
Total Liabilities & Shareholders' Equity	$ 114,781,000	$ 115,391,000

* At lower of cost (FIFO or average) or market

# Less accumulated depreciation and amortization

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	19.08
%Net Income to Sales	—	11.80
%Net Income to Equity	—	29.28
Sales to Inventories	3.18	3.47
Debt to Equity	0.82	0.80
Working Capital	$64,346,000	$73,084,000
Current Ratio	3.68	3.94
Shareholders' Equity	$48,137,000	$48,241,000

Kustom Electronics, Inc.

(39% owned by Van Enterprises, Inc.)

8320 Nieman Road
Lenexa, Kansas 66214
(913) 492-1400

Officers: Cecil L. Van Tuyl, chairman of the board; Lyle P. Phillips, vice chairman & chief executive officer; William E. Ruppert, president & chief operating officer; Ronald Duncan, v.p.-marketing; Bruce Keeton, v.p.-human resources; Jim Crisp, v.p.-finance & corp. secretary; John Kusek, v.p.-engineering; Steven Kosman, v.p.-manufacturing; Lee Stroh, mgr.-quality control.

Directors: Cecil L. Van Tuyl, chairman; John L. Aker, Lyle P. Phillips, Robert W. McFadden, J. Wesley St. Clair, F.L. Thompson, William E. Ruppert

Areas of Work: Engaged in three principal lines of business: traffic radar systems; communications consoles and mobile terminals; and peripheral hardware products and software programs for personal computers. Products serve law enforcement agencies and mobile computer terminal businesses.

Divisions:

Communications Division
Traffic Safety Radar Division
P.C. Peripheral Products Division

Subsidiaries:

Kustom Peripherals, Inc

Transfer Agent(s):

United Missouri Bank of Kansas City
10th and Grand
Kansas City, Missouri 64106

Stock Exchange(s): Over-the-Counter

Ticker Symbol: KUST (NASDAQ)

Number of Employees:

1985	160	1982	169
1984	150	1981	196
1983	157		

Sales and Earnings

	Net Sales‡ †	Net Income +
1985	$ 9,798,844	$ 1,561,576
1984	7,940,899	951,018
1983	7,075,293	707,810
1982	N.A.	64,007
1981	N.A.	(1,405,293)

	No. of Com Shares #	Earn. per Share # +
1985	1,814,162	$ 0.86
1984	1,702,423	0.56
1983	1,698,871	0.42
1982	1,594,761	0.04
1981	1,289,554	—

(Loss)

N.A. - Not Available.

‡ Includes other revenues.

† Of continuing operations only.

+ Including extraordinary gains $703,000 ($0.39 per share) in 1985, $438,000 ($0.26 per share) in 1984, $277,000 ($0.16 per share) in 1983 and $9,500 ($0.01 per share) in 1982.

# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1985	1984
Radar	$ 6,456,101	$ 5,584,587
Communications	2,857,211	2,356,312
Peripherals	485,532	—
Total	$ 9,798,844	$ 7,940,899

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 4,672,281	$ 2.58
1984	2,568,517	1.51
1983	1,594,352	0.94
1982	886,542	0.56
1981	422,535	0.33

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales & other revenues	$ 9,798,844	$ 7,940,899
Cost of sales	5,295,687	4,469,979
Expenses	3,693,994	2,889,517
Interest expense	75,305	239,230
Gain on sale of assets	(14,268)	(4,235)
Other income	(216,623)	(84,319)
Income before taxes	$ 964,749	$ 430,727
Income taxes	428,000	199,000
Income - cont. oper.	$ 536,749	$ 231,727
Income - discont. oper.	321,827	281,291
Net Income	$ 858,576	$ 513,018
Extraord. gain	703,000	438,000
Net Income & extraord. gain	$ 1,561,576	$ 951,018

* Included in Costs and Expenses, Depreciation and Amortization: $255,382 in 1985 and $243,265 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 26,977	$ 48,603
Accts. receiv., net	2,080,027	2,100,589
*Inventories	2,245,322	1,863,755
Prepaid expenses	25,796	3,888
Excess costs on uncompleted contracts	97,360	132,720
Current Assets	$ 4,475,482	$ 4,149,555
#Fixed assets	793,017	716,073
Deposits & other assets	69,062	51,843
Goodwill	504,504	—
Total Assets	$ 5,842,065	$ 4,917,471
Liabilities		
Long-term debt, curr.	$ —	$ 27,200
Revolv. line of credit	—	447,341
Accts. payable	611,842	338,046
Accruals	556,848	628,803
Excess billings on uncompleted contracts	1,094	86,000
Curr. Liabilities	$ 1,169,784	$ 1,527,390
Long-term debt	—	821,564
+ Common Stock	181,950	171,236
Add. paid-in capital	2,661,376	2,130,617
Retained earnings	1,828,955	267,379
Treasury stock	—	(715)
Total Liabilities & Shareholders' Equity	$ 5,842,065	$ 4,917,471

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ $0.10 par value.

Statistical Summary

%Net Income to Equity	18.38	19.97
Debt to Equity	—	0.33
Working Capital	$3,305,698	$2,622,165
Current Ratio	3.83	2.72
Shareholders' Equity	$4,672,281	$2,568,517

LaBarge, Inc.

707 North Second Street
P.O. Box 14499
St. Louis, Missouri 63178
(314) 231-5960

Officers: Pierre L. LaBarge, Jr., chairman of the board, president & chief executive officer; Edward J. Nestor, Jr., exec. v.p.-finance, treasurer & secretary; Donald G. Collins, Craig E. LaBarge, vice presidents; Gerard F. Salisbury, controller & asst. treasurer; William J. Maender, asst. secretary.

Directors: Pierre L. LaBarge, Jr., Gus G. Casten, Richard P. Conerly, Gilbert R. Whitaker, Jr., Edward J. Nestor, Jr., Richard A. Meyer, Peter Davis, R. Hal Dean, Craig E. LaBarge.

Areas of Work: The Electronics Division is engaged primarily in the design, development, production and sale of intrusion detection devices, telemetric systems, environmental data gathering systems, specialized cables and harnesses and circuits. The Casual Furniture Division is engaged primarily in the manufacture and sale of casual furniture.

Divisions and Subsidiaries:

LaBarge Electronics Division
707 N. Second Street
St. Louis, Missouri 63102
(314) 231-3400

LaBarge Casual Furniture Group
  Omni Duralite, Inc
  Molla, Inc.

Transfer Agent(s):

Mercantile Trust Company
Drawer 321
St. Louis, Missouri 63166

Stock Exchange(s): American

Ticker Symbol: LB

LaBarge, Inc.

Number of Employees:

1985	1,200	1982	N.A.
1984	1,200	1981	1,500
1983	1,200		

N.A. - Not Available.

Sales and Earnings

	Revenues +	Net Income
1985*	$ 72,188,000	$ (2,795,392)
1984	97,188,000	(12,268,308)
1983	84,532,000	859,821
1982	46,685,000	182,236
1981	40,091,000	2,806,445

	No. of Com. Shares	Earn. per Share #
1985*	6,744,808	$ —
1984	6,721,114	—
1983	6,775,544	0.13
1982	6,776,544	0.03
1981	6,776,544	0.41

(Loss)
* 6 months.
+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Electronics	$ 30,941,000	$ 55,786,000
Casual furniture	40,228,000	40,577,000
Management	1,019,000	825,000
Total	$ 72,188,000	$ 97,188,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	0.06	—	—
1983	0.06	—	—
1982	0.06	—	—
1981	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 11,282,429	$ 1.67
1984	14,012,587	2.08
1983	26,884,547	3.97
1982	26,435,193	3.90
1981	26,659,549	3.93

Income Account *

Year ended	6/30/85 (6 months)	12/31/84
Net sales	$ 71,169,498	$ 96,353,909
Other income	1,018,376	833,916
Total revenues	$ 72,187,874	$ 97,187,825
Cost of sales	60,011,164	77,776,079
Expenses	11,470,234	14,821,838
Interest expense	3,501,868	4,496,534
Loss on exch. of notes receiv.	—	986,748
Loss before taxes	$ (2,795,392)	$ (893,374)
Tax credit	—	(400,000)
Net Loss	$ (2,795,392)	$ (493,374)

* Included in Costs and Expenses, Depreciation and Amortization: $1,589,592 in 1985 and $2,222,640 in 1984.

Assets

As of	6/30/85 (6 months)	12/31/84
Cash	$ 1,594,614	$ 9,425,212
Accts. receiv., net	28,445,647	20,063,423
Inc. taxes refund	—	1,919,136
*Inventories	30,833,980	37,047,532
Prepaid expenses	1,223,836	1,408,723
Current Assets	$ 62,098,077	$ 69,864,026
#Fixed assets	13,396,290	12,820,597
Assets of discont. bus.	7,802,290	7,802,290
Other assets	3,408,678	3,580,704
Total Assets	$ 86,705,335	$ 94,067,617

Liabilities

Notes payable	$ 23,681,595	$ 27,426,789
Long-term debt, curr.	10,557,931	1,952,942
Accts. payable	13,262,013	13,806,898
Accruals	1,589,620	1,891,297
Employee compensation	1,292,970	1,334,,871
Other taxes	590,589	417,777
Curr. Liabilities	$ 50,974,718	$ 46,830,574
Long-term debt	24,448,188	33,224,456
+ Common stock	1,777,777	1,777,777
Add. paid-in capital	1,964,532	1,964,532
Retained earnings	8,560,302	11,355,694
Treasury stock	(1,020,182)	(1,085,416)
Total Liabilities & Shareholders' Equity	$ 86,705,335	$ 94,067,617

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

Sales to Inventories	2.31	2.60
Debt to Equity	3.10	2.51
Working Capital	$11,123,359	$23,033,452
Current Ratio	1.22	1.49
Shareholders' Equity	$11,282,429	$14,012,587

LaPointe Industries, Inc.

155 West Main Street
Rockville, Connecticut 06066
(203) 872-8581

Officers: Frank J. Kelley, III, chairman of the board & chief executive officer; Albert E. Wasserman, vice chairman of the board; Jack Lopes, president; Salvatore K. Canistraro, treasurer; Shirley M. Milnes, v.p.-administration & asst. secretary; Kenneth P. Griffin, secretary.

Directors: Frank J. Kelley, III*, chairman of the board and chairman of the executive committee; Albert E. Wasserman*, vice chairman; Jack Lopes*, Bruce Chandler, Bert G. Kerstetter, Daniel L. McQuillan, Salvatore K. Canistraro, Kenneth P. Griffin.

* Member of the Executive Committee.

Areas of Work: The company manufactures complete electronic systems, electronic spare parts in sub-assembly form; printed circuit boards; circuit board assemblies; air variable capacitors which are used as frequency tuning devices in high stability oscillators and in ratio receivers and transmitters; and air traffic control towers.

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland 21203

Stock Exchange(s): American

Ticker Symbol: LPI

Number of Employees:

1984	330	1983	338

Sales and Earnings

	Net Sales	Net Income †
1984	$ 10,607,000	$ 544,000
1983	8,212,000	56,000
1982	6,672,000	(53,000)
1981	6,184,000	(583,000)
1980	7,946,000	(1,156,000)

	No. of Com. Shares ‡	Earn. per Share †‡
1984	693,108	$ 0.78
1983	693,108	0.08
1982	693,108	—
1981	693,108	—
1980	693,108	—

(Loss)
† Including extraordinary gain of $61,000 ($0.09 per share) in 1981.
‡ Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1984	1983
Electronic syst. for compon.	$ 10,595,000	$ 7,784,000
Air traffic control towers	12,000	428,000
Total	$ 10,607,000	$ 8,212,000

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 3,570,700	$ 5.15
1983	2,384,458	3.44
1982	2,328,648	3.36

Income Account *

Year ended June 30	1984	1983
Net sales	$ 10,606,973	$ 8,211,952
Cost of sales	8,669,430	6,619,591
Expenses	1,385,362	1,325,583
Interest income	(42,498)	(33,872)
Other expenses	232,456	233,567
Income before taxes	$ 362,223	$ 67,083
Income taxes (credit)	(181,813)	11,272
Net Income (Loss)	$ 544,036	$ 55,810

* Included in Costs and Expenses, Depreciation and Amortization: $168,006 in 1984 and $224,364 in 1983.

Assets

As of June 30	1984	1983
Cash	$ 369,942	$ 154,798
Accts. receiv., net	1,071,181	1,042,603
Refundable taxes	1,663	47,058
*Inventories	3,959,433	3,629,941
Prepaid expenses	34,958	16,903
Current Assets	$ 5,437,177	$ 4,891,303
#Fixed assets	967,185	879,962
Total Assets	$ 6,404,362	$ 5,771,265

Liabilities

Note payable	$ 850,000	$ 550,000
Long-term debt curr.	142,800	202,800
Accts. payable	838,408	738,447
Accrued interest	49,683	41,370
Other accruals	321,671	243,851
Income taxes	—	10,739
Curr. Liabilities	$ 2,202,562	$ 1,787,207
Long-term debt	631,100	773,900
Minority interest	—	650,000
Deferred inc. taxes	—	175,700
+ Common stock	885,788	885,788
Add. paid-in capital	829,392	187,186
Retained earnings	3,083,388	2,539,352
Treasury stock	(1,227,868)	(1,227,868)
Total Liabilities & Shareholders' Equity	$ 6,404,362	$ 5,771,265

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.41	0.82
%Net Income to Sales	5.13	0.68

%Net Income to Equity	15.24	2.34
Sales to Inventories	2.68	2.26
Working Capital	$3,234,615	$3,104,096
Current Ratio	2.47	2.74
Shareholders' Equity	$3,570,700	$2,284,458

Lear Siegler, Inc.

P.O. Box 2158
2850 Ocean Park Boulevard
Santa Monica, California 90406
(213) 452-5444

Officers: Robert T. Campion, chairman of the board & chief exec. officer; K. Robert Hahn, vice chairman; Norman A. Barkeley, president; Charles F. Pitts, sr. v.p.-administration; James N. Thayer, sr. v.p.-finance; Kenneth L. Way, v.p.-Automotive Group; David J. Louks, sr. v.p. & controller; William M. O'Hern, v.p.-public relations & advertising; Walter J. Kruel, v.p.-corp. planning & development; Robert U. Grant, sr. v.p.-corp. development; Ronald V. Paolucci, sr. v.p.; Kenneth A. Ruck, v.p.-Commercial Products Group; Laurence A. Thompson, sr. v.p.; Elmar Klotz, v.p.-Aerospace Group; Albert F. Myers, v.p.-purchasing; Stephen D. Natcher, v.p., secretary & general counsel; Larry R. DeJarnett, v.p.-information systems; Donald R. Schort, Jr., v.p. & treasurer; Robert J. Wyma, v.p.-Aircraft Group; Ronald C. Buehner, v.p.-management services; Jerry H. Burnett, v.p. & corp. auditor; Harvey A. Marsh, v.p. & asst. controller; Barry Rodgers, v.p.-Electronics/Material Handling Group; Paul V. Smith, v.p.-Industrial/Recreational Group; John V. German, asst. v.p.-public relations; Carl H. Murray, asst. v.p.-acquisitions; Harvey O. Wellas asst. v.p.-investor relations & retirement funds.

Directors: Albert G. Handschumacher*, K. Robert Hahn, Howard L. McGregor, Jr.*, Robert T. Campion*, Barton Beek*, Norman Barker, Jr., Patricia Howe Ellison*, Thomas P. Mullaney, Francis L. Dale

*Member of the Executive Committee

Areas of Work: The company has operations in three major business segments: Aerospace/Technology, Automotive, and Commercial/Industrial.

LSI develops instruments and systems for military, commercial and general aviation aircraft and major missile and space programs; produces propjet and piston-powered Piper aircraft and is a manufacturer of remotely piloted vehicles.

The company produces automotive products for original equipment manufacturers, primarily seating and air suspension systems; and for the replacement market, including windshields and brake parts.

LSI also produces material handling systems for manufacturing and distribution facilities, boats for the recreational market, furniture components and housewares, heating and air conditioning units and pre-engineered metal buildings, in addition to manufacturing and merchandising raw cotton and its byproducts.

Divisions and Subsidiaries:

Aerospace/Technology Segment

Astronics Division
3400 Airport Avenue
P.O. Box 442
Santa Monica, CA 90406
(213) 452-6000

Instrument Division
4141 Eastern Ave. S.E.
Grand Rapids, Michigan 49508
(616) 241-7000

Avionic Systems Corporation
7-11 Vreeland Road
Florham Park, New Jersey 07932
(201) 822-1300

Management Services Division
3100 N. Interstate Hwy. 35
P.O. Box 11566
Oklahoma City, Oklahoma 73136
(405) 424-5551

Power Equipment Division
17600 Broadway Ave.
Maple Heights, Ohio 44137
(216) 662-1000

Romec Division
241 South Abbe Road
P.O. Box 4014
Elyria, Ohio 44036
(216) 323-3211

Steinheil-Lear Seigler AG
8045 Ismaning
Osterfeldstrasse 82, West Germany

International Division
P.O. Box 567
Rye, New York 10580
(914) 937-5300

Piper Aircraft Corporation
2926 Piper Drive
P.O. Box 1328
Vero Beach, Florida 32960
(305) 567-4361

Borroughs Division
3002 North Burick Street
Kalamazoo, Michigan 49007
(616) 342-0161

Audiotone Division
P.O. Box 2905
2422 West Holly
Phoenix, Arizona 85062
(602) 254-5888

Bogen Division
Route 4 and Forest Ave.
P.O. Box 500
Paramus, New Jersey 07652
(201) 343-5700

Data Products Division
901 East Ball Road
P.O. Box 3555
Anaheim, California 92803
(714) 778-3500

Electronic Instrumentation Division
714 North Brookhurst Street
Anaheim, California 92803
(714) 774-1010

Energy Products Division
2040 East Dyer Road
Santa Ana, California 92705
(714) 250-1010

Measurement Controls Division
74 Inverness Drive East
Englewood, Colorado 80112
(303) 792-3300

Sierra Electronic Division
3885 Bohannon Drive
Menlo Park, California 94025
(415) 321-5374

Automotive Segment

Accurate Products Division
4370 Jutland Drive
San Diego, California 92117
(619) 273-1212

Certified Division
1000 Martin Grove Road
Rexdale, Ontario, Canada M9W 4V9
(416) 249-8381

Safelite Division
801 South Wichita
P.O. Box 1879
Wichita, Kansas 67201
(316) 267-4000

Signal Division
P.O. Box 23036
1370 Esperanza St.
Los Angeles, California 90023
(213) 269-0321

Anchorlok Division
P.O. Box 5088
2910 East Ana
Compton, CA 90221
(213) 537 6710

Starcraft Division
West Michigan Street
P.O. Box 338
Topeka, Indiana 46571
(219) 593-2550

General Seating Division
13975 Farmington Road
Livonia, Michigan 48154
(313) 525-8620

Neway Division
1950 Industrial Blvd.
Muskegon, Michigan 49443
(616) 773-3271

No-Sag Drahtfedern GmbH
P.O. Box 1240
4835 Rietberg 2
West Germany

Progress Pattern Division
21555 Telegraph Road
Southfield, Michigan 48034
(313) 444-5100

Societe No-Sag Francaise
50, Avenue de Wagram
75017 Paris, France

Commercial/Industrial Segment

Cuckler Building Systems Division
P.O. Box 438
102 West South Street
Monticello, Iowa 52310
(319) 465-3595

Hypro Division
375 Fifth Avenue, N.W.
New Brighton, Minnesota 55112
(612) 633-9300

National Broach and Machine Division
17500 Twenty-Three Mile Road
Mt. Clemens, Michigan 48044
(313) 263-0100

Peerless Division
18205 S. Boones Ferry Road
P.O. Box 447
Tualatin, Oregon 97602
(503) 639-6131

Rapistan Division
507 Plymouth Avenue, N.E.
Grand Rapids, Michigan 49505
(616) 451-6200

Borroughs Division
3002 North Burdick Street
Kalamazoo, Michigan 49007 (616) 342-0161

Farm Equipment Division
P.O. Box 1013
Wahpeton, North Dakota 58075
(701) 642-2621

Hutchinson Division
P.O. Box 33
514 West Crawford Street
Clay Center, Kansas 67432
(913) 632-2161

Home Division
900 Brooks Avenue
Holland, Michigan 49423
(616) 394-4200

Mammoth Division
13120-B County Road 6
P.O. Box 9333
Minneapolis, Minnesota 55440
(612) 559-2711

No-Sag Products Division
3500 West Eleven Mile Road
Berkley, Michigan 48072
(313) 547-5600

Plastics Division
236 West Clark Street
Mendon, Michigan 49072
(616) 496-2215

Hawaiian Properties Division
Amfac Building, Suite 1112
700 Bishop Street
Honolulu, Hawaii 96813
(808) 521-8781

Seymour Division
885 North Chestnut Street
P.O. Box 408
Seymour, Indiana 47274-0408
(812) 522-5130

Smith & Wesson Division
2100 Roosevelt Avenue
Springfield, Massachusetts 01102
(413) 781-8300

Lear Siegler Marine Divison
848 Airport Road
Fall River, Massachusetts 02720
(617) 678-5291

Producers Cotton Oil Company
2907 South Maple Avenue
Fresno, California 93717
(209) 442-4400

Jeanneau Constructions Nautiques S.A.
Boite Postale 83
85500 Les Herbiers, France

Transfer Agent(s):

Security Pacific National Bank
Box 3546, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York, Pacific

Ticker Symbol: LSI

Number of Employees:

1985	29,725	1982	21,983
1984	30,800	1981	23,915
1983	20,000		

Plant Footage:

1985	20,144,146 sq ft	1982	14,100,000
1984	21,698,000	1981	13,302,000
1983	13,857,451		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 2,370,715	$ 100,735
1984	1,941,665	85,145
1983	1,464,190	64,122
1982	1,487,505	72,295
1981	1,530,699	76,067

	No. of Com. Shares #	Earn. per Share ‡
1985	18,203,000	$ 5.51
1984	17,034,000	4.96
1983	16,483,000	3.84
1982	16,371,000	4.36
1981	15,896,000	4.71

Based on the average number of shares outstanding
‡ Based on the weighted average number of common shares and common share equivalents outstanding

Revenues By Line of Business
(000's)

	1985	1984
Aerospace/Technology	$ 879,372	$ 734,472
Automotive	694,780	596,736
Commercial/Industrial	796,563	610,457
Total	$ 2,370,715	$ 1,941,665

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.85	—	—
1984	1.65	—	—
1983	1.525	—	—
1982	1.425	—	—
1981	1.28	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 633,199,000	$ 34.79
1984	558,311,000	30.89
1983	468,093,000	28.15
1982	422,275,000	25.74
1981	391,319,760	24.00

‡ After allowing for preferred stock at liquidation preference value.

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 2,370,715	$ 1,941,665
Cost of sales	1,835,166	1,480,628
Expenses	317,062	276,085
Interest expense	47,494	32,977
Other income	(12,059)	(6,328)
Income before taxes	$ 183,052	$ 158,303
Income taxes	82,317	73,158
Net Income	$ 100,735	$ 85,145

* Included in Costs and Expenses, Depreciation and Amortization: $56,920,000 in 1985 and $43,097,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 32,023	$ 28,718
Cert. of deposit & invest.	11,596	8,204
Accts. & notes receiv., net	346,871	322,558
*Inventories	447,065	498,852
Prepaid expenses	34,638	28,047
Current Assets	$ 872,193	$ 886,379
#Fixed assets	382,676	382,154
Other assets	235,448	200,675
Total Assets	$ 1,490,317	$ 1,469,208

Liabilities
(000's)

Notes payable	$ 10,104	$ 11,882
Long-term debt, curr.	4,376	6,806
Accts. payable	201,624	175,749
Accruals	227,518	229,100
Income taxes	12,770	25,170
Curr. Liabilities	$ 456,392	$ 448,707
Long-term debt	283,870	346,993
Deferred liabilities	86,710	82,967
Deferred inc. taxes	21,146	21,230
+ Preferred stock	547	639
+ + Common stock	18,447	18,185
Add. paid-in capital	68,797	63,783
Retained earnings	583,181	516,581
For. curr. trans. adjust.	(26,564)	(20,713)
Unreal. loss on market secur.	—	(6,955)
Treasury stock	(2,209)	(2,209)
Total Liabilities & Shareholders' Equity	$ 1,490,317	$ 1,469,208

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.72	8.15
%Net Income to Sales	4.25	4.39
%Net Income to Equity	15.69	14.96
Sales to Inventories	5.30	3.89
Debt to Equity	0.46	0.64
Working Capital	$415,801,000	$437,672,000
Current Ratio	1.91	1.98
Shareholders' Equity	$642,199,000	$569,311,000

Lee Data Corporation

7075 Flying Cloud Drive
Minneapolis, Minnesota 55344
(612) 828-0300

Officers: John M. Lee, chairman, president & chief exec. officer; Duane S. Carlson, exec. v.p., chief financial officer & secretary; Edwin G. McMullen, sr. v.p.-corp. planning; Douglas M. Pihl, sr. v.p.-corp. development; James A. Vellenga, sr. v.p.-operations; Frederick H. Sweeny, sr. v.p.-marketing; Wayne A. Zuehlke, v.p., corp. controller & treasurer.

Directors: John M. Lee, chairman of the board; Duane S. Carlson, Nicholas J. Covatta, Jr., Robert W. Fischer, Edward D. Orenstein, Elserino Piol, Clarence W. Spangle.

Areas of Work: Designs, manufactures, markets and services display terminal systems which enable users to communicate with a wide variety of mainframes and minicomputers for data processing and to perform personal computing and file transfer functions.

Subsidiaries:

Lee Data Foreign Sales Corporation (FSC)

Transfer Agent(s):

Norwest Bank
Minneapolis, Minnesota 55344

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LEDA (NASDAQ)

Number of Employees:

1985	994	1982	233
1984	1,156	1981	120
1983	720		

Sales and Earnings

	Revenues	Net Income †
1985	$ 91,050,000	$ 455,000
1984	98,720,000	17,600,000
1983	53,108,000	11,365,000
1982	13,665,000	1,969,000
1981	6,730,000	(417,000)

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	14,111,000	$ 0.03
1984	14,103,000	1.25
1983	12,415,000	0.92
1982	9,031,000	0.22
1981	5,942,000	—

(Loss)
† Including extraordinary gains of $74,000 ($0.01 per share) in 1983 and $739,000 ($0.08 per share) in 1982.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 87,047,000	$ 6.17
1984	82,009,000	5.82
1983	58,909,000	4.74
1982	8,946,000	0.99
1981	2,754,000	0.46

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Mar. 31	1985	1984
Sales	$ 78,658	$ 91,550
Rentals & serv.	12,392	7,170
Total Revenues	$ 91,050	$ 98,720
Cost of revenues	60,032	48,384
Expenses	30,253	23,121
Interest expense	94	145
interest income	(4,081)	(4,039)
Loss on long-term invest.	5,748	—

Inc. (loss) bef. taxes	$ (996)	$ 31,109
Income taxes (credit)	(1,451)	13,509
Net Income	$ 455	$ 17,600

* Included in Costs and Expenses, Depreciation: $4,730,000 in 1985 and $2,515,000 in 1984.

Assets
(000's)

As of Mar. 31	1985	1984
Cash	$ 187	$ 555
Marketable securities	30,282	33,699
Accts. receiv., net	16,915	16,855
Installment receivables	2,081	1,987
Refundable taxes	4,159	—
Deferred inc. taxes	1,221	—
*Inventories	29,388	25,850
Other curr. assests	479	386
Current Assets	$ 84,712	$ 79,332
#Fixed assets	22,582	17,440
Installment receivables	3,731	4,216
Long-term investment	—	750
Defer. charges	1,034	395
Total Assets	$ 112,059	$ 102,133

Liabilities
(000's)

Accts. payable	$ 5,395	$ 8,151
Accruals	4,388	3,440
Income taxes	—	370
Deferred income taxes	—	1,751
Cap. lease oblig., curr.	451	459
Curr. Liabilities	$ 10,234	$ 14,171
Long-term debt	5,000	—
Cap. lease oblig.	519	970
Deferred inc. taxes	9,259	4,983
+ Common stock	699	667
Add. paid-in capital	56,809	53,006
Retained earnings	29,539	29,084
Decrease in mkt. price of invest.	—	(748)
Total Liabilities & Shareholders' Equity	$ 112,059	$ 102,133

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	33.98
%Net Income to Sales	0.58	19.22
%Net Income to Equity	0.52	21.46
Sales to Inventories	2.68	3.54
Debt to Equity	0.06	0.01
Working Capital	$74,478,000	$65,161,000
Current Ratio	8.28	5.60
Shareholders' Equity	$87,047,000	$82,009,000

LFE Corporation

55 Green Street
Clinton, Massachusetts 01510
(617) 835-1000

Officers: Herbert Roth, Jr., chairman of the board; L.M. Faulkner, president; Ronald A. Riggs, sr. v.p. & gen. mgr.-Fluids Control Division; Charles N. Davis, v.p. & gen. mgr.-Traffic Control Division; Charles Dudinski, v.p. & president-Anderson/Nichols; Thomas P. Graham, v.p.-finance; E. MacKay Fraser, v.p., secretary & general counsel; Brewster W. Jameson, v.p. & gen. mgr.-Process Control Division; Denis J. McGreivy, v.p. & gen mgr.-Process Control Division; William E. Morrill, treasurer.

Directors: Coleman Burke, Albert J. Kelley, David T. Morgenthaler, Bernard J. O'Keefe, Herbert Roth, Jr., L.M. Faulkner, Boruch B. Frusztajer, C. W. Spangle.

Areas of Work: Develops, designs and manufactures high technology products used to control industrial processed, refulate automotive traffic, and create a stable environment for military electronics. The company also provides engineering, architectural and environmental services to industry and government.

Divisions and Subsidiaries:

LFE Traffic Control Division
Hamden, Connecticut

LFE Process Control Division
Clinton, Massachusetts
Chesterland, Ohio

LFE Fluids Control Division
Hamden, Connecticut

Anderson-Nichols & Co., Inc.
Boston and Clinton, Massachusetts
Concord, New Hampshire
Richmond and Palo Alto, California
Phoenix, Arizona
Bangor, Maine
Newington, Connecticut

Interstate Highway Sign Company
Little Rock, Arkansas

Acquisition(s):

Ames Engineering
Bangor, Maine

Genter Engineering
Providence, Rhode Island

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: LFE

Number of Employees:

1984	N.A.	1981	1,674
1983	N.A.	1980	2,053
1982	1,335		

Plant Footage:

1984	N.A.	1981	695,000
1983	N.A.	1980	779,000
1982	790,000 sq. ft.		

N.A.-Not Available.

Sales and Earnings

	Net Sales +	Net Income ‡
1984	$ 75,498,000	$ 786,000
1983	65,148,000	417,000
1982	69,346,000	2,831,000
1981	78,672,000	(2,830,000)
1980	81,766,000	1,694,000

	No. of Com. Shares #	Earn. per Share ‡#
1984	1,933,000	$ 0.36
1983	1,887,000	0.18
1982	1,980,000	1.43
1981	1,978,000	—
1980	1,959,000	0.86

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gain of $238,000 ($0.12 per share) in 1982.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1984	1983
Traffic control	$ 18,086,000	$ 15,972,000
Process control	24,439,000	24,405,000
Fluids control	19,846,000	15,184,000
Services	13,127,000	9,587,000
Total	$ 75,498,000	$ 65,148,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	$ —	—	—
1983	—	—	—
1982	—	—	—
1981	0.09	10%	—
1980	0.12	10%	—

Common Stock Equity

	Total Equity ‡	Equity Per Share #
1984	$ 21,181,000	$ 10.96
1983	20,391,000	10.81
1982	20,074,000	10.14
1981	17,336,000	8.76
1980	20,351,000	10.39

‡ After allowing for preferred stock at liquidation value of $14 per share.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *
(000's)

Year ended	4/27/84	4/29/83
Net sales	$ 75,498	$ 65,148
Cost of sales	56,653	48,890
Expenses	16,759	15,754
Other income	—	(1,257)
Interest expense	1,156	1,222
Income before taxes	$ 930	$ 539
Income taxes	144	122
Net Income	$ 786	$ 417

* Included in Costs and Expenses, Depreciation: $1,559,000 in 1984 and $1,285,000 in 1983.

Assets
(000's)

As of	4/27/84	4/29/83
Cash	$ 536	$ 574
Receiv., net	19,620	18,139
*Inventories	13,384	11,775
Def. inc. taxes	886	1,352
Prepaid expenses	354	376
Current Assets	$ 34,780	$ 32,216
#Fixed assets	10,636	10,531
‡Leased prop. under cap. leases	710	914
Other assets	755	843
Total Assets	$ 46,881	$ 44,504

Liabilities
(000's)

Long-term debt, curr.	$ 97	$ 88
Accts. payable	6,429	5,361
Accruals	6,240	6,481
Oblig. under cap. leases	254	431
Deferred income	151	115
Income taxes	333	477
Curr. Liabilities	$ 13,504	$ 12,953
Long-term debt	7,162	6,127
Long-term 10% sub. deben.	2,774	2,751
+ Preferred stock	1,614	1,630
+ + Common stock	2,105	2,104
Add. paid-in capital	18,052	18,041
Retained earnings	3,280	2,575
Treasury stock	(1,610)	(1,677)
Total Liabilities & Shareholders' Equity	$ 46,881	$ 44,504

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $10 stated value; Series A cumulative convertible.
+ + $1 par value.

LFE Corporation

Statistical Summary

%Income bef. Taxes to Sales	1.23	0.83
%Net Income to Sales	1.04	0.64
%Net Income to Equity	3.35	1.84
Sales to Inventories	5.64	5.53
Working Capital	$21,276,000	$19,263,000
Current Ratio	2.58	2.49
Shareholders' Equity	$23,441,000	$22,673,000

Lion Precision Corporation

11C Esquire Road
N. Billerica, Massachusetts 01862-2588
(617) 663-7400

Officers: Louis Michelson, chairman; Thomas M. Duff, Jr., president & chief executive officer; Robert Massard, treasurer; Andrew Taylor, clerk; Caroline Blackburn, asst. treasurer.

Directors: Louis Michelson, chairman; Robert Massard, C. Mackay Ganson, Jr., Harry Healer, Jr., William Wolfson, Thomas M. Duff, Jr.

Areas of Work: Designs and manufactures a line of contact and non-contact precision gaging systems and controls for industry. The line inludes spring gages, thickness gages, transducers, displacement and tension devices, wafer gages, and microprocessors.

Transfer Agent(s):

Caroline S. Blackburn
c/o Corporate Offices

Stock Exchange(s): Over-the-Counter

Number of Employees:

1984	35	1982	32
1983	32	1981	12

Plant Footage:

1984	N.A.	1981	10,000
1983	10,000 sq. ft.	1980	10,000
1982	10,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1984	$ 2,301,604	$ 65,850
1983	1,868,701	14,671
1982	1,491,180	25,119
1981	1,070,967	11,264
1980	1,462,863	45,270

	No. of Com. Shares	Earn. per Share #
1984	1,008,748	$ 0.07
1983	1,007,691	0.02
1982	748,309	0.03
1981	590,430	0.02
1980	590,430	0.08

# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 938,461	$ 0.93
1983	858,112	0.85
1982	843,441	1.13
1981	527,235	0.89
1980	515,971	0.87

Income Account *

Year ended Sept. 30	1984	1983
Net sales	$ 2,301,604	$ 1,868,701
Cost of sales	1,142,211	1,021,049
Product develop. costs	121,441	109,679
Expenses	933,216	712,858
Oper. profit	$ 104,736	$ 25,115
Int. expense	32,886	8,844
Income before taxes	$ 71,850	$ 16,271
Income taxes	6,000	1,600
Net Income	$ 65,850	$ 14,671

* Included in Costs and Expenses, Depreciation and Amortization: $52,855 in 1984 and $50,325 in 1983.

Assets

As of Sept. 30	1984	1983
Cash	$ 319	$ 50,328
Accts. receiv., net	725,631	536,915
*Inventories	650,622	512,371
Prepaid expenses	3,339	7,036
Current Assets	$ 1,379,911	$ 1,106,650
#Fixed assets	257,269	199,990
Other assets	54,961	43,645
Total Assets	$ 1,692,141	$ 1,350,285

Liabilities

Notes payable	$ 266,100	$ 114,000
Long-term debt, curr.	37,000	33,000
Accts. payable	172,127	130,911
Accruals	136,172	94,398
Accrued inc. taxes	20,015	2,028
Curr. Liabilities	$ 631,414	$ 374,337
Long-term debt	82,266	77,836
Deferred comp.	40,000	40,000
+ Common stock	280,245	278,145
Add. paid-in capital	532,547	521,719
Retained earnings	144,079	78,229
Treasury stock	(18,410)	(19,981)
Total Liabilities & Shareholders' Equity	$ 1,692,141	$ 1,350,285

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.30 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.12	0.87
%Net Income to Sales	2.86	0.79
%Net Income to Equity	7.02	1.71
Sales to Inventories	3.54	3.65
Working Capital	$748,497	$732,313
Current Ratio	2.19	2.96
Shareholders' Equity	$938,461	$858,112

Litton Industries, Inc.

360 North Crescent Drive
Beverly Hills, California 90210-9990
(213) 859-5000

Officers: Fred W. O'Green, chairman of the board; Orion L. Hoch, president; Joseph T. Casey, Arnold R. Kaufman, Joseph F. Caligiuri, exec. v.p.'s; M. Howard Dingman, Jr., Robert H. Lentz, Roland O. Peterson, sr. v.p.'s; Wayne L. Grosvenor, sr. v.p. & controller; Charles S. Bridge, Charles A. Gallagher, Walter P. Lukens, Ronald E. Quigley, Mathias J. Diedrich, Alex B. Owen, Charles Fink, Alton J. Brann, F. James Carr, Neal P. Cramer, Richard D. Fleck, Rudolph E. Lang, Jr., Gerald J. St. Pé, Charles E. Holmquist, Richard T. Hopman, L.E. Jenneke, Ronald R. Keating, Thomas M. O'Donnell, Gordon G. Palmer, Wolfgang Schaer, v.p.'s; George E. Boullianne, v.p. & treasurer; Clarence L. Price, secretary.

Directors: Fred W. O'Green, chairman; Joseph T. Casey, Jayne B. Spain, Wallace W. Booth, Thomas B. Hayward, Orion L. Hoch, J. Edward Lundy, C.B. Thornton, Jr., James H. Zumberge.

Areas of Work: Retail tag-making equipment and supplies; navigation and control systems, including, aircraft inertial navigation systems, missile inertial guidance systems, marine navigation instrument and systems, and automated ship control systems; communications and electronic data systems, including command and control systems, shipboard electronic systems, tactical communications and systems, tactical air support equipment, airborne warning and control systems, electronic surveillance systems, radio navigation systems; marine engineering and production, including naval surface ships, and marine design and engineering; machine tool systems, including disc and surface grinding machines, automatic bar and chucking machines, boring, milling and drilling machines, drills, taps, dies and cutting tools, and specialty metal products; bulk material handling systems, and unit handling conveyor systems; electronic and electrical components, including computer components and subassemblies, microwave devices and laser materials, servo components and potentiometers and printed circuit boards; medical and electronic products, including electronic diagnostic and patient monitoring equipment, microwave cooking products; also engaged in resource exploration.

Divisions and Subsidiaries:

Advanced Circuitry
4811 West Kearney Street
Mail to: P.O. Box 2847 CS
Springfield, Missouri 65803-0847
(417) 862-0751
Printed and multilayer circuit boards, artwork design, board loading, back panels.

Aero Products
6101 Condor Drive
Moorpark, California 93021-2699
(805) 378-2000
Navigation and guidance systems for commercial airlines, general aviation and military air transport. Omega navigation systems attitude reference systems, inertial reference systems (laser); specialized systems for search , surveillance and photogrammetric precise track guidance technology; ground proximity warning systems.

also at:

Marketing Representation
2121 Newmarket Parkway
Bldg. 5, Suite 146
Marietta, Georgia 30067
(404) 955-0629

1626-1 Locust Avenue
Bohemia, New York 11716
(516) 589-5522

490 L'Enfant Plaza East, S.W.
Suite 8602
Washington, DC 20024
(202) 554-2570

(Litton Worldwide Services, Inc.)
Guardian House
Room 1306
32 Oi Kwan Road
Causeway Bay
Hong Kong

9 Avenue Franklin Roosevelt
Paris 75008, France

Aero Service
8100 Westpark Drive
Mail to: P.O. Box 1939
Houston, Texas 77251-1939
(713) 784-5800

also at:

7229 South Alton Way
Englewood, Colorado 80112
(303) 779-4024
Photogrammetric and SLAR engineering, airborne and ground geophysical surveys, geophysical mapping, simulation sciences, resource exploration and evaluations, digital graphics, LANDSAT data processing.

Aero Service (Italy)
c/o Western Ricerche Geofishiche S.p.A.
via Tolstoi 86
20098 San Guiliano
Milan, Italy
Airborne geophysical and photogrammetric surveys.

Aero Service (Great Britain)
c/o Western Geophysical Company
P.O. Box 18, 455 London Rd.
Isleworth, Middlesex TW7 5AB England
Airborne geophysical and photogrammetric surveys.

Airtron
200 East Hanover Avenue
Morris Plains, New Jersey 07950
(201) 539-5500
Microwave components, including waveguides and ferrite devices; optical and magnetic crystals; bubble memory substrates; jewelry and simulated diamonds, stripline and microstrip components.

also at:

54 Horsehill Rd.
Cedar Knolls, New Jersey 07927
(201) 539-5500
Sale of laser rods to the research and industrial markets.

4481 S. 134th Street
Tukwila, Washington 98168
(206) 433-1571

Amecom
5115 Calvert Road
College Park, Maryland 20740
(301) 864-5600
Electronic warfare systems; RF communications systems; shipboard monitor and control systems; integrated communication switching systems for air traffic control; defense telecommunication systems including local area bus networks.

Applied Technology
645 Almanor Avenue
P.O. Box 3478
Sunnyvale, California 94088
Threat warning systems; military minicomputers; optical signal processors; spectran analysers; reconnaissance systems; support equipment; simulation, test and training systems; and hybrid microelectronics.

also:

1901 N. Moore St. #908
Arlington, VA 22209-1706
(703) 522-2050

Suite 225
4130 Linden Avenue
Dayton, OH 45432-3018
(513) 253-3194

13 Japonica Lane
Shalimar, FL 32579
(904) 651-3536

1230 N. Carl Vinson Pkwy.
P O. Box 700
Warner Robins, GA 31099
(912) 953-0015

25 Gladsdale Drive
Pinner, Middlesex HA5 2PP
Great Britain

Theaterplatz 3
D-5300, Bonn 2
West Germany

CITCO
121 Industrial Parkway
P.O. Box 84
Chardon, Ohio 44024
(216) 285-9181
Manufactures industrial diamond products including diamond dressing tools, polycrystalline diamond and CBN cutting tools, diamond and CBN wheels and diamond rotary and block form dressers.

Clifton Precision
Broadway and Marple Avenues
Clifton Heights, Pennsylvania 19018
(215) 622-1000
Synchros, resolvers, torquers, D.C. motors.

also:

1554 Delmar Drive Folcroft, PA 19032-2102
(215) 622-1000

Union County Industrial Park
Beasley Street
P.O. Box 1399
Blairsville, GA 30512-1399
(404) 745-9605

Peachtree Road
P.O. Box 160
Murphy, NC 28906-0160
(704) 837-5115
Synchros; resolvers; motors; AC & DC fractional horsepower; permanent magnet; stepping; brushless.

Clifton Precision—Instruments & Life Support
2734 Hickory Grove Road
P.O. Box 4508
Davenport, Iowa 52808-4508
(319) 383-6000
Developer of instruments, such as pneumatic & electropneumatic altimeters, Mach air speed indicators and life support equipment, such as liquid oxygen systems (LOX), onboard oxygen generating systems (OBOGS), and nitrogen inerting units (NIU). Also, self contained cleaning and recharging stations for high pressure containers used in cryogenic cleaning.

Clifton Precision-Systems
750 West Sproul Road
Springfield, PA 19064-4099
(215) 328-4000
Digital and analog signal conversion, communications interface equipment, aircraft navigation and engine instrumentation, engine perfomance computers, custom military display systems, radar indicators and distribution systems.

also at:

Route 113
P.O. Box 305
Frederica, Delaware 19946
(302) 335-5465

Core Laboratories, Inc.
1300 E. Rochelle Blvd.
Irving, Texas 75062-3963
(214) 570-5055
Scientific and engineering services to the petroleum industry worldwide.

also:

75 Greenfield Road
London EC1
England

288-290 Worton Road
Isleworth, Middlesex 7W7 6EE
England

24-A Lim Tek Boo Road
Singapore 1953
65-2821222/2840331

1540 25th Avenue, N.E.
Calgary, Alberta
Canada T2E 7R2
(403) 250-5600

Data Command Systems
29851 W. Agoura Road
Agoura, California 91301
(818) 991-9660
Systems design, engineering, program management, installation, test and logistics support (maintenance, spares supply and training) for international turn-key command, control and communications systems.

also at:

(Litton Saudi-Arabia Ltd.)
P.O. Box 7949
Jeddah, Saudi Arabia

P.O. Box 7529
Riyadh, Saudi Arabia

Data Images, Inc.
1283 Algoma Road
Ottawa, Ontario K1B 3W7
Canada
(613) 744-3773
Design, manufacture and sale of twisted nematic and dichroic liquid crystal display products.

Data Systems
8000 Woodley Avenue
Van Nuys, California
(818) 902-4000
Tactical communications systems, tactical data links, communications control systems, data processing and equipment, ground support equipment, air defense systems, command and control systems, data processing and display systems, military recording systems, analog/digital conversion equipment, tactical air support, airborne warning and control, integrated ship control, light emitting diode displays, automatic test equipment.

also at:

425 East Fillmore Street
Colorado Springs, Colorado 80907
(303) 475-7220
Fabrication and assembly of electronic equipment and systems.

2460 Waynoka Place
Colorado Springs, CO 80915-1612
(303) 591-0071
Microelectronics center, hybrid crcuit assembly.

1755 Jefferson Davis Highway
#902
Arlington, VA 22202-3509
(703) 920-4100

Bel Air Shopping Center
625 Old Mobile Highway
P.O. Box 1618
Pascagoula, MS 39568-1618
(601) 935-1122
Ship electronic system design.

Marketing Representation
59 bis, rue du bon Pasteur
1140 Brussels, Belgium
32-2-216-8057

40 Boulevard Henn Sellier
92150 Suresnes, France

Downhole Seismic Service
1500 Fourth Street
P.O. Box 836
Harvey, Louisiana 70059-0836
(504) 393-9770
Downhole geophysical surveys.

Electron Devices
960 Industrial Road
San Carlos, California 94070
(415) 591-8411
Microwave tubes, including magnetrons, traveling wave tubes and keystrons, solid-state microwave oscillators; cathode ray tubes and tube related equipment; basic and applied research in electron devices; image intensifiers, night vision devices.

also at:

1215 S. 52nd Street
Tempe, Arizona 85281
(602) 968-4471
Production of night vision devices.

1035 Westminster
Williamsport, Pennsylvania 17701-3911
(717) 326-3561
Production of magnetrons.

1755 Jefferson Davis Highway
#902
Arlington, Virginia 22202-3509
(703) 920-4100

Encoder
20745 Nordhoff Street
Chatsworth, California 91311
(818) 341-6161
Encoders which provide shaft angle positions to interface with digital computer circuitry or computers in military, industrial and commercial systems.

Eureka X-Ray Tube
3250 North Kilpatrick Avenue
Chicago, Illinois 60641
(312) 545-3126
X-ray tubes for medical, dental, industrial and related accessories. Collimators and cassette trays.

Gardner Machine
481 Gardner Street
South Beloit, Illinois 61080
(815) 389-2251
Disc grinders, surface grinders and abrasive disc wheels and disc grinding systems.

also at:

Rt. # 6
Bellwood Road
P.O. Box 969
Calhoun, Georgia 30701
(404) 625-1270
Production of grinding wheels.

Guidance & Control Systems
5500 Canoga Avenue
Woodland Hills, California 91367
(818) 715-4040
Inertial Navigation Systems, Attitude and Heading Reference Systems, Inertial Platforms & Inertial Measurement Systems for all classes of military vehicles: Stategic & Tactical Aircraft & Missiles, Land Systems, Ships submarines and torpedoes. Digital computers for military application in strategic missiles, space, tactical electronic warfare, special display systems, and ships communication and control systems. Special test & other unique support equipment. Production of advanced inertial systems utilizing floated dry-tuned rotor, laser gyros employing either gimball-isolated instruments or in strapdown application. Advanced research and developement in inertial systems and sensors including laser, NMR (Nuclear Magnetic Resonance), and fiber optic techniques. R&D/Production of ships control systems including propulsion, steering, and auxiliary control subsystems and bridge control systems and equipment.

also at:

1001 Redwood Highway Spur
Grants Pass, Oregon 97526
(503) 479-7541
Assembly of electronic printed circuits and components for inertial navigation systems.

2211 W. No. Temple
Salt Lake City, Utah 84116
(80) 539-1200
Fabrication, assembly and test of electronic equipment for inertial navigation systems and other electronic components.

Marketing representation:
325 Hospitality Lane
Suite 106
San Bernardino, CA 92408-3210
(714) 381-7402

490 L'Enfant Plaza East, S.W.
Washington, D.C. 20024-2179
(202) 554-2570

333 West First Street
Dayton, OH 45402-3044
(513) 223-3285

Hellige
Henrich-von-Stephanstrasse 4
Postfach 728
D-7800 Freiburg/Breisgau, Germany
Medical electronic diagnostic equipment including electrocardiographs, electroencephalographs, defibrillators, multichannel recorders and other measuring and recording devices for preoperative, surgical and postoperative patient monitoring systems; intensive care systems; blood testing equipment; computerized EKG analysis systems; measuring and recording equipment for industrial purposes.

also at:

Hellige Austria
Herbeckstrasse 27
A-1180, Vienna, Austria
Marketing of medical electronic equipment.

Hellige France
49, rue d'Oberhausbergen
B.P. No. 12 Eckbolsheim
F-67038 Strasbourg, Cedex
France
Marketing of medical electronic equipment.

Hellige Italia
Viale di Porta Vercellina 20
I-20123 Milan, Italy
Marketing of medical electronics equipment.

Industrial Automation Group Office
7900 Tanners Gate
Florence, KY 41042-1863
(606) 283-2202
Automated storage and retrieval systems, OCR and magnetic encoding systems, systems software, computer controlled manufacturing systems.

Ingalls Shipbuilding
1000 West River Road
P.O. Box 149
Pascagoula, Mississippi 39568
(601) 935-1122
New construction of naval and commercial ships; rail cars, oil rigs and platforms and other industrial products; advanced naval and commercial ship design; engineering and systems analysis.

also at:

2711 South Jefferson Davis Highway
Suite 1200
Arlington, Virginia 22202
(703) 979-0300

Integrated Systems Technology
7900 Tanners Gate
Florence, Kentucky 41042-1863
(606) 283-2202
Computer integrated manufacturing systems.

also at:

5825 Oberlin Drive
San Diego, California 92121-3702
(619) 587-0040

Interconnection Products
(Division of Litton U.K. Ltd.)
71B Whitecraigs Road
Whitehill Industrial Estate
Glenrothes, Fife KY7 5PR
Scotland

Inter-Pak Electronics (Advanced Circuitry)
2500 Airport Commerce Center
P.O. Box 2847, CS
Springfield, Missouri 65803
(417) 869-3933
Press fit printed wiring backpanels; pinned assemblies; back panels (press fit pin); circuit boards, printed, single sided, double sided, multi-layer.

Itek Optical Systems
10 Maguire Road
Lexington, Massachusetts 02173-3199
(617) 276-2000
Telecopier Xerox 400 (617) 276-3306
Optical and electro-optical systems for reconnaisance and surveillance in both strategic and tactical military applications. Geodata systems including space and airborne mapping and multi-spectral sensors, exploitation equipment and services. Industrial inspection systems and medical image enhancement devices.

also at:

27 Christina Street
Newton, Massachusetts 02164
(617) 969-7300
High accuracy, high resolution shaft angle position encoders for military tracking systems, fire control systems, space vehicle applications and precision industrial applications; Digiline® digital readout systems for the machine tool industry.

1700 North Moore Street
Suite 1910
Arlington, Virginia 22209
(703) 522-2030

6151 West Century Blvd.
Suite 1110
Los Angeles, California 90045
(213) 641-0470

1190 Morse Avenue
Sunnyvale, California 94089
(408) 734-5260

Kester Solder
515 East Touhy Avenue
Des Plaines, Illinois 60018
(312) 235-1600
Soldering materials.

also at:

1730 N. Orangethorpe Park
Anaheim, California 92801
(714) 871-0280

88 Ferguson Street
Newark, New Jersey 07105
(201) 589-0246

1 Prince Charles Road
P.O. Box 474
Brantford, Ontario, Canada N3T 5N9
(519) 753-3425

(Division of LPPI GmbH)
Ganghoferstrasse 45
D-8031 Gernlinden
West Germany

500 Chai Chee Street
Singapore 1646
65-4491133

Kimball Systems
7900 Tanners Gate
Florence, Kentucky 41042
(606) 283-2202
Printed and die cut self adhesive labels supplied in sheets, rolls or continuous fanfolds. Retail stock control and identifications systems, including integrated data processing equipment and supplies for punched holes, OCR, and optical marked recognition tickets. Machines for producing punched holes, OCR tags and labels and bar code tags and labels. Electronic tag reading equipment. Stock inventory of data processing labels, file cards, and rotary index cards. Tickets, tags (multi-part manifold, shipping, point of sale, specialty and die cut) for production, packaging, distribution, merchandising and transportation.

also at:

6750 Belt Circle Drive
Bedford Park, Illinois 60638-4792
(312) 585-0541

151 Cortlandt St.
Belleville, New Jersey 07109-9962
(201) 759-6500
Product identification tags, multipart airline baggage tags and various transportation tags and labels. Bar code laser scanner and on-demand small baggage tag bar code printers.

Kimball Systems, Canada
85 Advance Road
Toronto, Ontario, Canada M8Z 2S9
(416) 233-1135
Tickets, tags, labels and imprinters for industrial, retail, and OCR applications.

Kimball Systems, Europe
Gubelstrasse 28
CH-8050 Zurich, Switzerland
Headquarters for Kimball Marketing Divisions in Europe.

Kimball Systems, Austria
Rennweg, 46-48
A-1030, Vienna
Austria
Marketing and service of Kimball punch marking and OCR systems.

Kimball Systems, France
105, rue de Tocqueville
F75017 Paris, France
Marketing and service of Kimball punch marking and magnetic encoding systems and OCR tags and labels.

(Kimball Etiketten GmbH)
Groenlandstrasse 31
P.O. Box 3227
D-4240 Emmerich 3, Elten
West Germany
49-2828-7081
Marketing and service of for punch marking, OCR and bar code systems.

Kimball Systems, Great Britain
6 Totman Crescent
Weir Industrial Estates
GB-Rayleigh, Essex SS6-7XB, Great Britain
Manufacturing of tags and labels. Marketing and service of Kimball punch marking and OCR systems.

Sales & Service office:
113-117 Gunnersbury Avenue
GB-Ealing, London W5 4LR, Great Britain
Marketing and service of Kimball tag punch marking and tag reading machines, and OCR systems.

Kimball Systems, Italy
Via Montevideo #13
I-20144 Milan, Italy
Marketing and service of Kimball punch marking, OCR and magnetic encoding systems, tags and labels.

Kimball Systems Nederland B.V.
Marconistraat 7, P.O. Box 70
NL-6900 AB Zevenaar, Netherlands
Famox label marking machines: tags and labels of self-adhesive and heat-seal paper, cardboard and P.V.C., automatic dispensers and printing units; hand pricers.

also at:

Parnassusweg 201
NL-Amsterdam, Netherlands
Marketing and service of Kimball punch marking, OCR systems.

Kimball Systems, Sweden
Kyrkbacken 9-11
Box 3013
S-17103 Solna 3, Sweden
Marketing and service of Kimball punch marking, OCR and magnetic encoding systems, tags and labels.

Kimball Systems, Switzerland
Gubelstrasse 28
CH-8050, Zurich, Switzerland
41-1-312 35 44
Marketing and service of Kimball punch marking and OCR systems.

Landis Lund
Cross Hills, Keighley BD 20 7SD
Yorkshire, England
Precision cylindrical grinding machines and disc grinders.

Landis Tool
East Sixth Street
Waynesboro, Pennsylvania 17268
(717) 762-2161
Precision cylindrical production grinding machines (external and internal), grinding machine systems.

Laser Systems
2787 South Orange Blossom Trail
Apopka, FL 32703-4397
Mail to:
P.O. Box 7300
Orlando, FL 32854-7300
(305) 295-4010
Design and manufacture neodymium-doped, yt-trium-aluminum-garnet (Nd:YAG) laser range-finder and target designation systems.

LITAL
(Litton Italia S.p.A.)
(Guidance & Control Systems)
Via Pontina km 27,800
Mail to: Casella Postale 10064 EUR
I-00100 Rome, Italy
Inertial navigation systems and heading and attitude reference systems for aircraft; military computers, tactical command and control, artillery automation.

LITEF (Litton Technische Werke)
Loerracherstrasse 18
Postfach 774
D-7800 Freiburg, Germany
Inertial navigation systems; marine gyro compasses and navigation systems; attitude and heading reference platforms; gyroscopes and accelerometers; digital computers; interface electronics, Doppler navigation, tactical control and display.

also at:

Wachsbleiche 29
D-5300 Bonn, Germany

Litton Automated Manufacturing Systems
2200 Litton Lane
P.O. Box 179
Hebron, KY 41048-0179
(606) 334-2600
Automated storage and retrieval systems, flexible assembly systems and integrated material handling systems.

also at:

5825 Oberlin Drive
San Diego, CA 92121-3702
(619) 587-0040

208 E. Riley Street
Zeeland, MI 49464-9786
(616) 772-6231
Driverless, automatically guided material handling vehicles.

Litton Business Systems Holland BV
(Headquarters)
Vrijzicht 79
P.O. Box 9267
NL-1006 AG Amsterdam
Netherlands
Tax and accounting computation.

Litton Computer Services (Headquarters)
1300 Villa Street
P.O. Box 7113
Mountain View, California 94039
(415) 966-1771
Computer processing and associated services; batch processing, time sharing, remote job entry, on-line data base management, computer programming.

also at:

490 L'Enfant Plaza East S.W. #8206
Washington, D.C. 20024-2179
(202) 554-2570

P.O. Box 2498
Ft. Benning, GA 31905-1098
(404) 545-1845

1050 S. Academy
Suite 203
Colorado Springs, CO 80910-2712
(303) 597-5017

(Litton Saudi Arabia Ltd. LSAL/CSD)
P.O. Box 52705
Riyadh 11573, Saudi Arabia
966 1-477-0477

5655 Lindero Canyon Road
Suite 430
Westlake Village, CA 91362-4016
(818) 991-3267
Computer processing and associated services, batch processing, time sharing, remote job entry, on-line data base management, computer programming.

Western Regional Data Center
5490 Canoga Avenue
P.O. Box 4040
Woodland Hills, California 91367-4040
(818) 715-5200

Northeast Regional Data Center
6 Kingsbridge Road
Fairfield, New Jersey 07006-2197
(201) 575-2800

Southeastern Regional Data Center
1831 Michael Faraday Drive
Reston, Virginia 22090-5298
(703) 471-9200

Sales/Marketing

Suite 508
1660 N. Hotel Circle Dr.
San Diego, California 92108
(619) 295-6035

111 N. Sepulveda Blvd.
Manhattan Beach, California 92066
(213) 318-8483

701 Lee Street
Suite 500
Des Plaines, Illinois 60016
(312) 298-9305

200 East 42nd Street
#1200
New York, New York 10017
(212) 972-7880

Litton Corporate Offices
(Headquarters)
360 N. Crescent Drive
Beverly Hills, California 90210-9990
(213) 859-5000

(Regional Offices)
201 East 42nd Street, 10th Floor
New York, New York 10017-5785
(212) 661-1111

490 L'enfant Plaza Est, S.W.
Washington, D.C. 20024-2179
(202) 554-2570

(European Office)
Gubelstrasse 28
CH-8050 Zurich, Switzerland
41-1-312 35 44

(Far East Office)
Central P.O. Box 760
Tokyo, Japan
81-3-211 6791

(China Office)
(Litton Systems, Inc.)
Ta Yuan Diplomatic Office Building
Suite 2-6-1
14 Liang Me He South Road
Chao Yang District
Beijing, China
521316
Promoting and assisting all Litton operations in China.

(Corporate Audit Services)
360 N. Crescent Drive
Beverly Hills, California 90210-9990
(213) 859-5082

1767 Morris Avenue
Union, New Jersey 07093-3588
(201) 686-3341

2250 E. Devon
Suite 135
Des Plaines, Illinois 60018-4593
(312) 296-6151

(Regional Public Relations Office)
360 N. Crescent Drive
Beverly Hills, CA 90210-9990
(213) 859-5907
Telex 67-4991
TWX 910 490-2524
Telecopier Murata 7200 (213) 859-5038
Murata 7200 (213) 859-5940

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Washington, D.C. 20024-2179
(202) 554-2570

303 E. Wacker Drive, Suite 1109
Chicago, IL 60601-5212
(312) 664-4558

Gubelstrasse 28
CH-8050 Zurich, Switzerland
41-1-312 35 44

(Regional Real Estate Offices)
9950 West Lawrence Avenue
Suite 202
Schiller Park, Illinois 60176-9998
(312) 671-2610

201 East 42nd St., 10th Floor
New York, New York 10017-5785
(212) 661-1111

Litton Datamedix
Route 1
Sharon, Massachusetts 02067
(617) 784-7878
(800) 225-0455
Research, development, production and marketing of medical electronic equipment.

Litton Engineered Systems
7100 Industrial Road
Florence, KY 41042-2906
(606) 525-5700
Flexible machining systems; engineered conveyor systems; unit handling and overhead conveyor systems and equipment.

Litton Facilities Management Systems
1213 N. Main St.
Blacksburg, Virginia 24060
(703) 552-3011

Computerized energy management systems which also monitor and control machinery, to increase productivity in an industrial environment, related sensors for measuring temperature and electric power, installation and maintenance services; energy management and security facilities proprietary systems.

Litton International S.A.
Gubelstrasse 28
CH-8050 Zurich, Switzerland
Holding company.

Litton Korea Ltd. (LITKOR)
Kuro Industrial Estates
345-15 Gari Bong Dong
Guro-Gu
Seoul, 152 Korea
Support services and manufacturing associated with sale of Litton designed advanced electronic systems in Korea.

Litton Microwave Cooking Products
4450 Mendenhall Road, South
Memphis, Tennessee 38115-6701
(901) 366-3000
Microwave ovens and accessory products for commercial, institutional, vending and home use.

also at:

600 East 54th Street
Sioux Falls, South Dakota 57104
(605) 336-2222
Production of countertop microwave ovens.

Litton Microwave Cooking Products
6650 Finch Avenue, West
Etobicoke, Ontario, Canada M9W 5Y6
(416) 675-7051

Litton Microwave Cooking Products
Mint House
6 Stanley Park Road
Wallington, Surrey
Great Britain SM2 5BQ

Litton Precision Gear
4545 South Western Boulevard
Chicago, Illinois 60609
(312) 847-4211
Precision gears and aircraft parts, helicopter gears and transmissions.

Litton Precision Products International
Oberfoehringerstrasse 8
D-8 Munich 80, West Germany
49-89-989611/980547
Sales of Litton and non-Litton manufactured electronic and electro-mechanical components.

(France)
58, rue Pottier
F-78150 Le Chesnay, France

(Germany)
Römerstrasse 14
D-5042 Erfstadt 2
West Germany
49-2235-5025/5026

Jahnstrasse 3
D-7990 Friedrichshafen 1
West Germany
49-7541-4 2272

Alte Volksparkstrasse 24
D-2000 Hamburg 54
West Germany
49-40-540 1214

Otto-Hahn-Strasse 8
D-7100 Heilbronn/Biberach
West Germany
49-7066 6811

(Australia)
28 Burton Street
Darlinghurst 2010, N.S.W., Sydney, Australia

(Great Britain)
(6) First Avenue
Globe Park
GB Marlow, Buckinghamshire
England SL7 1YA

(Italy)
Viale Romagna 1
I-20092 Conisello Balsamo-Milan 1
Italy

Via Egerio Levio, 15
00174, Rome, Italy

(Netherlands)
Van Utrechtweg 25,
NL-2921 LN Krimpen a.d. Yssel
Netherlands

(Spain)
Concles del Val 8
E-28036 Madrid
Spain

(Sweden)
Warfvinges Vag 32
Box 30095
S-104 25 Stockholm, Sweden

(Switzerland)
Gubelstrasse 28
CH-8050 Zurich, Switzerland

Litton Resources Systems
1001 Loop 35 East
Alvin, Texas 77512
(713) 331-6451
Manufacture, sale and maintenance of electronic digital recording and processing equipment for the geophysical industry. Land and marine seismic detectors and cables.

also at:

3600 Briar Park
Houston, Texas 77042
(713) 781-8871

Litton Services GmbH
Mitteldicker Weg
6078 Neu-Isenburg
Zeppelinheim, West Germany
Construction of infrastructure in support of Litton International projects.

Litton Servotechnik
Feringastr 14
D-8043 Unterfoehring
West Germany
Manufacturer of trimmers and potentiometers. Industrial precision potentiometers, digital and analog turn counting dials, incremental encoders, DC motors, industrial slip rings.

Litton Systems Canada Limited
25 Cityview Drive
Etobicoke, Ontario, Canada M9W 5A7
(416) 249-1231
Inertial navigation systems, airborne surveillance radar, flight inspection systems, LED flat panel displays, intruson detection and surveillance security systems, ship command and control systems, radar training simulators and automated test equipment.

also at:

220 Laurier Avenue, West
Suite 730
Ottawa, Ontario
Canada K1P 5Z9
(613) 236-2358
Government business development office.

Litton UHS/Conveyor Systems
2100 Litton Lane
P.O. Box 10
Hebron, Kentucky 41048-0010
(606) 334-2400
Pre-engineered conveyor products and systems.

also at:

P.O. Drawer 1969
1316 N. Long St.
Salisbury, North Carolina 28145-1969
(704) 636-3041
High speed conveyors for the food and beverage industries.

3101 Old Hayneville Road
P.O. Drawer 177
Montgomery, Alabama 36195-6101
(205) 269-2355
Pallet loading and unloading equipment for material handling systems.

Litton U.K. Ltd.
Litton House
52-56 Buckingham Street
Aylesbury
Buckinghamshire
England HP20 2LW
44-296-37079

Litton-Westrex Company, Japan
Chiyoda Building
1-2, 2-Chome, Marunouchi
Chiyoda-Ku
Tokyo, Japan
Mail to:
Central P.O. Box 760
Tokyo, Japan
81-3-211-6791
Distribution of Litton products; purchase of products manufactured in Japan for export to Litton divisions; technical licensing; exchange of technology and distribution of products between Litton divisions and Japanese firms.

Litton World Trade Corporation
Gubelstrasse 28
CH-8050 Zurich, Switzerland
Development of Litton trade with Mideast and Eastern countries.

Lucas Machine
12302 Kirby Avenue
Cleveland, Ohio 44108
(216) 451-5588
Boring, milling and drilling machines (horizontal and vertical), largely equipped with numerical controls; machining centers and machining systems.

New Britain Machine
P.O. Box 2200
South Street
New Britain, Connecticut 06050
(203) 229-1641
Multiple spindle automatic bar machines, multiple spindle automatic chucking machines, twin and single spindle vertical and horizontal numerically controlled chucking machines, four-axes center drive numerically controlled chucking lathes, vertical and horizontal precision contour boring and turning machines, friction welding machines, and surface grinding and honing machines systems.

PANELVISION
265 Kappa Drive
Pittsburgh, PA 15238-2871
(412) 963-9635
Flat panel displays, active matrix displays including the MiniGraphic displays, Liquid Crystal Displays (LCD's).

Petrophysical Services, Inc.
1500 Salado Drive
Suite 101Mountain View, California 94043-1102
(415) 960-0965
Special core analysis, automated core measurement systems, microprocessor high-pressure pumps.

C. Plath
Gertigstrasse 48
D-2000 Hamburg 60, West Germany
Advanced and conventional marine navigational equipment, including gyro compasses, automatic pilots, electronic mainsteering systems, rate-of-turn indicators, radio navigation equipment, EM-log, sextants, magnetic compasses and general nautical instruments.

also at:

222 Severn Avenue
Annapolis, MD 21403-2569
(301) 263-6700

Wang-Ja Bldg. Room 605
1196-1, Choryang-5 Dong
Dong-Ku, Pusan
Korea
82-051-463-8345/6

Poly-Scientific
1213 North Main Street
Blacksburg, Virginia 24060
(703) 552-3014
Slip ring assemblies, miniature to large, for all applications including body scanners, offshore mooring and geophysical, cockpit instrumentation, inertial navigation, helicopter deicing, cable reels, radar pedestals, military vehicle turrets, high speed turbine testing and hard vacuum; rotary switches; arm/disarm devices; molded cable assemblies; perimeter protection (burglar) systems and related components.

Also analytical services including physical and chemical analysis particularly as relates to contamination and tribological research of electric contracts.

Potentiometer
750 South Fulton Avenue
Mount Vernon, New York 10551
(914) 664-7733
Precision potentiometers and precision rheostats in rotary, multiturn and singleturn rectilinear and sector types; pendulum transducers; resistors, rotary switches; servo modules; Compulift crane warning systems and load sensing systems.

Twin City Tool
1001 West U.S. 56 Highway
Olathe, Kansas 66061
(913) 782-2200
Landis plain & universal grinding machines; subcontract machining services on NC and other metal cutting/metal forming machine tools.

USECO
13536 Saticoy Street
Van Nuys, California 91409
(818) 786-9381
Standard and custom screw machine products: terminals, spacers, inserts, knobs, handles, jacks, pins and terminal boards. Standard and custom molded products: connectors, headers, and insulated terminals. Card cages, back panel wire wrap and design.

Veam
Via Statuto 2
1-20020 Arese/Milan, Italy
Electronic cylindrical connectors. "Products distributed by Litton Precision Products International."

also at:

100 New Wood Road
Watertown, Connecticut 06795
(203) 274-9681

Veam Elektro-Anschulusstechnik GmbH
P.O. Box 1304
Scharnhaeuser Strasse 3
D-7024 Filderstadt 1/Stuttgart
West Germany
Electronic cylindrical connectors.

Western Geophysical
10001 Richmond Avenue
Houston, Texas 77042
Mail to:
P.O. Box 2469
Houston, Texas 77252
(713) 789-9600
Land and marine geophysical seismic surveys for petroleum industry; processing and interpretation of field data at five digital service centers.

also at:

7229 South Alton Way
P.O. Box 3118
Englewood, Colorado 80155
(303) 770-8660

Field Offices:
900 Mohawk Street
Bakersfield, California 93309
(805) 324-0340

351 E. International Airport Road
Anchorage, Alaska 99518-1299
(907) 563-3511

Western Geophysical (Australia)
154 Abernethy Road
Belmont, Western Australia 6104
61-9-478-1033

Western Geophysical (Canada)
2612 37th Avenue, N.E.
Mail to:
P.O. Box 5250 Station A
Calgary, Alberta, Canada T2H 1X6
(403) 291-8100

Western Geophysical (Great Britain)
Wesgeco House
P.O. Box 18
455 London Road
Isleworth, Middlesex, England TW7 5AB

Western Geophysical (Singapore)
37 Jalan Remimpin #04-01 Union Bldg.
Mail to:
Box 94
Thomson Road, P.O
Singapore 9157

Western Ricerche Geofisiche S.p.A.
Via Tolstoi 86
Mail to:
Casella Postale 53
20098 San Guiliano
Milan, Italy
39-2-98490434

Westrex Asia
BCC House
13th Floor
Room 1302
10 Queen's Road Central
Hong Kong
Sales and service of Westrex and Kimball products.

Winchester Electronics
400 Park Rd.
Watertown, Connecticut 06795
(203) 274-8891
Electronic and electrical connectors for computers and other industrial, commercial and military uses; back panel wirewrap and design; connector accessories and tools; insulated terminals.

also at:

Main & Hillside Avenue
Oakville, CT 06779-9998
(203) 274-8891

Winchester Electronics
(Division of LPPI GmbH)
Otto-Hahn-Strasse 8
D-7100 Biberach/Heilbronn
West Germany
Manufacture of connectors for electronic and data processing and telecommunication industries; back panel wirewrap; IDC connectors.

Transfer Agent(s):
Litton Industries, Inc.
Shareholder Services
P.O. Box 5555
Beverly Hills, California 90210

Stock Exchange(s): New York, Pacific

Ticker Symbol: LIT

Number of Employees:

1985	58,200	1982	75,000
1984	65,500	1981	77,000
1983	69,200		

Sales and Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1985	$ 4,590,649	$ 299,471
1984	4,605,744	313,380
1983	3,958,985	231,560
1982	4,123,910	314,960
1981	3,977,828	311,566

	No. of Com. Shares #	Earn. per Share #
1985	41,087,109	$ 7.27
1984	42,256,018	7.32
1983	42,066,194	5.41
1982	42,046,364	7.39
1981	42,018,087	7.31

‡ Includes service revenues; of continuing operations only.
# Based on the weighted average number of common and preference shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business
(000's)

	1985	1984
Industrial systems & services	$ 1,299,641	$ 1,243,824
Advanced electronic sys.	1,961,772	1,868,060
Marine engineering and production	975,578	841,002
Other commercial prods.	421,737	702,255
Intergroup eliminations	(105,180)	(77,053)
Miscellaneous	37,101	27,656
Total	$ 4,590,649	$ 4,605,744

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$1.50	—	—
1984	1.90	2%	—
1983	1.70	2%	—
1982	1.50	2%	—
1981	1.30	2%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share #
1985	$ 929,096	$ 34.17
1984	2,002,697	47.74
1983	1,779,442	42.51
1982	1,626,671	38.73
1981	1,370,802	32.73

‡ After allowing for preferred stock at liquidation value.
# Adjusted to reflect stock dividends.

Income Acccount
(000's)

Year ended July 31	1985	1984
Sales and service revenues	$ 4,590,649	$ 4,605,744
Cost of sales	3,461,020	3,473,756
Expenses	559,356	589,319
Depreciation	160,661	161,279
Interest income	(128,273)	(124,776)
Currency adjustments	1,186	1,501
Gain on sale of businesses	(4,378)	(1,451)
Income before taxes	$ 541,077	$ 506,116
Income taxes	241,606	228,688
Inc. - cont. oper.	$ 299,471	$ 277,428
Inc. - disc. oper.	—	35,952
Net Income	$ 299,471	$ 313,380

Assets
(000's)

As of July 31	1985	1984
Cash & market. secur.	$ 1,563,942	$ 1,437,468
Accts. receiv., net	674,647	650,558
*Inventories	519,718	423,354
Prepaid expenses & taxes	131,324	140,382
Current Assets	$ 2,889,631	$ 2,651,762
Net assets of discont. oper.	107,359	205,231
#Fixed assets	927,105	877,362
Intangibles	316,037	313,406
Other assets	406,141	332,142
Total Assets	$ 4,646,273	$ 4,379,903

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 65,699	$ 60,494
Accts. payable	495,528	525,874
Payroll expenses	321,202	275,543
Income taxes	161,145	168,882
Cust. deposits & contract liab.	793,202	797,791
Curr. Liabilities	$ 1,836,776	$ 1,828,584
Long-term liabilities	196,279	225,995
Deferred inc. taxes & other items	362,551	312,361

Subord. notes & deben	1,311,305	—
+ Preferred stock:		
Series B	2,053	2,053
+ + Common stock	27,193	41,947
Add. paid-in capital	437,242	672,796
Retained earnings	485,051	1,306,303
Cum. curr. trans. adjust.	(12,177)	(10,136)
Total Liabilities & Shareholders' Equity	$ 4,646,273	$ 4,379,903

* Raw materials stated at lower of cost (FIFO) or market. Work in process and finished goods stated at average cost.
# Less accumulated depreciation.
+ $5 par value.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.79	—
%Net Income to Sales	6.52	—
%Net Income to Equity	31.88	15.57
Debt to Equity	0.28	0.14
Working Capital	$1,052,855,000	$ 823,178,000
Current Ratio	1.57	1.45
Shareholders' Equity	$ 939,362,000	$2,012,963,000

Lockheed Corporation

4500 Park Granada Boulevard
Calabasas, California 91399
(818) 712-2000

Officers: Lawrence O. Kitchen, chairman of the board & chief executive officer; Robert A. Fuhrman, president & chief operating officer; Vincent N. Marafino, exec. v.p. & chief financial & administrative officer; group presidents: R.B. Ormsby-Aeronautical Systems Group; R.W. Taylor-Information Systems Group; L.A. Smith-Marine Systems Group; D.M. Tellep-Missiles, Space and Electronics Systems Group; Robert H. Wertheim, sr. v.p.-science & engineering; vice-presidents: Louis J. Barnard-human resources; H.T. Bowling-corporate development; Harold Brownman, president-Electronics Co.; Ken Cannestra, exec. v.p.-Georgia Co.; R.F. Conley, president-Lockheed Corp. International; C.H. Chisum, information & administrative services; Richard Cook-Washington area; H. David Crowther-corporate communications; Charles de Bedts-marketing; W. Paul Frech-president-Georgia Co.; D.P. Daniels, operations; Jack Freeman, exec. v.p.-Lockheed Missiles & Space, Inc.; Larry Jenkins, gen. mgr.-Austin division; J.J. Cornish, engineering-Advanced Aeronautics Co.; W.B. LaBerge-science & technology; R.M. Powell, gen. mgr.-Astronautics Systems Division; E.L. Graham, exec. v.p.-California Co.; Robert Northcutt-controller; Robert C. Johnson-contracts & pricing; V.P. Peline, gen. mgr.-Space Systems Division; Ben Rich, pres.-Advanced Aeronautics Co.; James Ryan, secretary & asst. gen. counsel; E. Douglas Sargent, president-Space Operations Co.; Edward J. Shockley, president-Aircraft Service Co.; Derald A. Stuart, Missiles & Space Co., Inc.; Joseph Twomey-gen. counsel; Stanley I. Weiss-asst. gen. mgr.-Astronautics Division; R.R. Heppe, president-California Co.; Robert Young, president-Engineering & Management Services Co.; Anthony G. Van Schaick, treasurer; Donald C. Jones, gen. mgr.-Missile Systems Division; A. Gene Otsea, asst. treasurer; David B. Bowman, asst. secretary.

Directors: Roy A. Anderson*, Michael Berberian, Joseph R. Rensch, Joseph P. Downer*, Houston I. Flournoy, Robert A. Fuhrman, Vincent N. Marafino, Lawrence O. Kitchen*, Walter J. Stoessel, Jr., Joseph J. Pinola, Jack K. Horton*, John E. Swearingen, R.B. Ormsby, Jr., James F. Gibbons.

* Member of the Executive Committee.

Areas of Work: The company is engaged in the manufacture of military and commercial aircraft; space and missile programs, aircraft servicing; data recording and analysis systems; electronic marine equipment; aircraft training aids; tactical and airborne radar, spacecraft and commercial recorders; gunfire controls; checkout and test equipment; fuel oil computer registers; computer memory systems and components; computer services; deep submergence vehicles; information systems; shipbuilding and repair; energy management systems; environmental monitoring and clean-up.

Divisions and Subsidiaries:

Lockheed Aircraft Service Company
Ontario, California 91762
(714) 988-2411

Lockheed-California Company
Burbank, California 91520
(818) 847-6121

Lockheed-Georgia Company
Marietta, Georgia 30063
(404) 424-9411

Lockheed Electronics Company, Inc
Plainfield, New Jersey 07061
(201) 757-1600

Lockheed Missiles & Space Company, Inc
Sunnyvale, California 94088
(408) 742-4321

Lockheed Air Terminal, Inc.
Burbank, California 91510
(818) 847-6121

Lockheed Shipbuilding Company
Seattle, Washington 98134
(206) 292-5656

Lockheed Finance Corporation
Burbank, California 91502

Lockheed Corporation International
Burbank, California 91505

Lockheed Advanced Aeronautics Company
Valencia, California 91355

Advanced Marine Systems
Santa Clara, California 95054

Lockport Marine Company
Portland, Oregon 97217

Datacom Systems Corporation
Teaneck, New Jersey 07666

CADAM, Inc.
Burbank, California 91504

DIALOG Information Services, Inc
Palo Alto, California 94304

Lockheed DataPlan, Inc
Los Gatos, California 95030

Lockheed Engineering and Management Services Co., Inc
Houston, Texas 77058

Lockheed Space Operations Company
Titusville, Florida 32780

Acquisition(s):

Metier Management Systems
London, England
Develops and markets ARTEMIS project-management software products, primarily for the military

Transfer Agent(s):

First Interstate Bank
P.O. Box 3667
Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York, Pacific, Amsterdam, London, Geneva, Lausanne, Zurich, Basel.

Ticker Symbol: LK

Number of Employees:

1985	87,800	1982	70,200
1984	81,300	1981	71,300
1983	71,800		

Plant Footage:

1985	N.A.	1983	28,787,000
1984	31,579,000 sq.ft.		

N.A. - Not Available.

Sales and Earnings

	Net Sales + (000's)	Net Income † (000's)
1985	$ 9,535,000	$ 401,000
1984	8,113,400	344,000
1983	6,490,300	263,000
1982	5,613,000	207,000
1981	5,176,000	(289,000)

	No. of Com. Shares#	Earn. per Share ‡†
1985	65,700,000	$ 6.10
1984	64,850,000	5.28
1983	62,370,000	4.18
1982	55,854,000	3.65
1981	48,471,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $23,000,000 in 1981.
# Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding and common shares issuable adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Missiles, space & elect. syst.	$ 4,982,000	$ 3,883,000
Aeronautical syst.:		
Aircraft & related serv.	4,130,000	3,779,000
Marine & info. syst.	423,000	451,000
Total	$ 9,535,000	$ 8,113,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-1

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1985	$ 1,511,000	$ 23.00
1984	1,152,000	17.76
1983	826,000	13.24
1982	418,000	7.48
1981	42,600‡	0.88

† Adjusted to reflect stock split.
‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 9,535,000	$ 8,113,000
Cost of sales & exp.	8,802,000	7,463,000
Other expense (income)	(9,000)	2,000
Interest expense	53,000	62,000
Income before taxes	$ 689,000	$ 586,000
Income taxes	288,000	242,000
Net Income	$ 401,000	$ 344,000

* Included in Costs and Expenses, Depreciation and Amortization: $194,000,000 in 1985 and $144,900,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 63,000	$ 33,000
Accts. receiv., net	1,548,000	1,013,000
*Inventories	928,000	866,000
Prepaid expenses	59,000	77,000
Current Assets	$ 2,598,000	$ 1,989,000
Investments	72,000	69,000
#Fixed assets	1,283,000	1,008,000
Other assets	231,000	100,000
Total Assets	$ 4,184,000	$ 3,166,000

Liabilities
(000's)

Short-term bank borrowings	$	544,000	$	176,000
Accts. payable		542,000		482,000
Customer advances		109,000		170,000
Retirement plan contrib		52,000		72,000
Income taxes		6,000		18,000
Deferred inc. taxes		581,000		291,000
Accrued payroll		292,000		257,000
Other liabilities		512,000		294,000
Curr. Liabilities	$	2,638,000	$	1,760,000
Long-term debt		35,000		241,000
+ Redeemable preferred stock		—		13,000
+ Common stock		65,000		65,000
Add. paid-in capital		454,000		446,000
Retained earnings		992,000		641,000
Total Liabilities & Shareholders' Equity	$	4,184,000	$	3,166,000

* At lower of cost or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.23	7.22
%Net Income to Sales	4.21	4.24
%Net Income to Equity	26.54	29.87
Sales to Inventories	10.27	9.37
Debt to Equity	1.38	0.36
Working Capital	—	$ 230,400,000
Current Ratio	—	1.13
Shareholders' Equity	$1,511,000,000	$1,152,000,000

LogEtronics Inc.

7001 Loisdale Road
Springfield, Virginia 22150
(703) 971-1400

Officers: Gordon O.F. Johnson, chairman of the board; Gerald A. Nathe, president & chief executive officer; Charles N. Keating, Jr., senior vice president & chief staff officer; Martin F. Moser, v.p.-finance & administration, chief financial officer & treasurer; Pete R. Gilbert, secretary; Gregory A. Maio, controller.

Directors: Gordon O.F. Johnson, chairman; Franklin S. Atwater, C.M. Baker, Jr., Ronald S. Johnson, Martin M. Rosen, W. Hardie Shepard, P. Bjarne Jensen, Gerald A. Nathe.

Areas of Work: Engaged in the development and manufacture of high quality graphic arts cameras and automatic film processors; also produces cathode-ray tube printers serving the medical radiography and aerial photography markets and computer imaging products and systems.

Subsidiaries:

LogE/Robertson, Inc.
7001 Loisdale Road
Springfield, Virginia 22150

LogEtronics AG
Industriestrasse 57
CH 8152 Glattbrugg, Switzerland

LogEtronics GmbH
Frankfurterstrasse 16-40
D-6236 Eschborn, West Germany

Luth International A/S of 1979 (50% owned)
Merkurvej 2
4200 Slagelse, Denmark

Photographic Corporation of America
7001 Loisdale Road
Springfield, Virginia

LogE/Interpretation Systems Incorporated
420 South Fairview Avenue
Goleta, California 93117
Manufactures analog and digital image display and analysis systems primarily for the remote sensing, geophysical and related markets.

LogE/Spatial Data Systems, Inc.
420 South Fairview Avenue
Goleta, California 93117
Manufactures a line of image display and analysis systems for use in industrial testing and inspection applications and for biomedical and scientific research.

LogE/Dunn Instruments, Inc.
544 South Second Street
San Francisco, California 94107
Manufactures cathode ray tube photographic recording systems for computer generated pictures in medical radiography, remote sensing and business graphics. A subsidiary of Dunn Systems, CompuSlide, Inc., manufactures and markets stand-alone computer systems to analyze and present business data in pictorial/graphic form.

LogEtec AG
LogEdisc, Inc.
LogE/Compulsive, Inc.
Dunn Instruments, Inc. International

Transfer Agent(s):

United Virginia Bank
900 East Main Street
Richmond, Virginia 23219

Stock Exchange(s): Over-the-Counter

Ticker Symbol: LOGE (NASDAQ)

Number of Employees:

1983	386	1980	355
1982	377	1979	406
1981	555		

Plant Footage:

1983 . . . . . 159,646 sq. ft. 1982 208,735

Sales and Earnings

	Net Sales	Net Income
1983	$ 34,689,000	$ (2,213,000)
1982	35,548,000	(2,635,000)
1981	31,957,000	1,904,000
1980	32,773,000	1,475,000
1979	30,642,000	1,141,000

	No. of Com Shares	Earn. per Share ‡
1983	1,350,000	$ —
1982	1,350,000	—
1981	1,342,000	1.62
1980	1,169,000	1.27
1979	1,162,000	1.00

(Loss)
‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1983	$ —	—	—
1982	—	—	—
1981	0.20	—	—
1980	0.20	—	—
1979	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1983	$ 10,779,000	$ 7.98
1982	13,824,000	10.23
1981	16,846,000	12.56
1980	13,047,000	11.16
1979	11,727,000	10.09

Income Account *
(000's)

Year ended Dec. 31		1983		1982
Net sales	$	34,689	$	35,548
Other income		281		238
Total income	$	34,970	$	35,786
Cost of sales		24,339		24,751
Expenses		11,917		11,659
Prov. for mfr. shutdown		—		2,050
Interest expense		1,145		1,291
Loss before taxes	$	(2,431)	$	(3,965)
Income taxes (credit)		120		(1,176)
Eq. in inc. of unconsol. co.		(338)		(154)
Net Loss	$	(2,213)	$	(2,635)

* Included in Costs and Expenses. Depreciation and Amortization: $664,000 in 1983 and $739,000 in 1982.

Assets
(000's)

As of Dec. 31		1983		1982
Cash & cash equivalents	$	152	$	239
Accts. receiv., net		8,697		6,455
*Inventories		11,277		9,688
Refund. inc. taxes		44		1,421
Prepaid inc. taxes		243		124
Other assets		139		207
Current Assets	$	20,552	$	18,134
#Fixed Assets		2,031		2,143
Other assets		7,010		7,361
Total Assets	$	29,593	$	27,638

Liabilities
(000's)

Long-term debt, curr.	$	146	$	1,300
Notes payable		6,119		3,412
Accts. payable		3,638		2,270
Accruals		2,354		2,173
Income taxes		52		31
Curr. Liabilities	$	12,309	$	9,186
Mortgage note		2,478		—
Lease oblig.		89		750
Long-term debt		3,914		3,794
Other liab.		10		4
Def. inc. taxes		14		80
+ Common stock		251		251
Add. paid-in capital		7,930		7,930
Retained earnings		5,044		7,257
Treasury stock		(1,232)		(1,232)
Invest in PBI holdings		(533)		—
Cum. trans. adjust.		(661)		(382)
Total Liabilities & Shareholders' Equity	$	29,593	$	27,638

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.16⅔ par value.

Statistical Summary

Sales to Inventories	3.08	3.67
Working Capital	$ 8,243,000	$ 8,948,000
Current Ratio	1.67	1.97
Shareholders' Equity	$10,779,000	$13,824,000

Logicon, Inc.

3701 Skypark Drive
Torrance, California 90505
(213) 373-0220

Officers: John R. Woodhull, president & chief exec. officer; Robert G. Walden, sr. v.p. & chief financial officer; James D. Hogan, sr. v.p.; Donald L. Farr, Frank T. Cummings, Hugh E. Beatty, Richard J. McGrath, E. Teague Richmond, James P. Brown, James E. Dalton, Albert L. Latter, v.p.'s; Ralph L. Webster, v.p. & controller; E. Benjamin Mitchell, Jr., secretary & general counsel.

Directors: John R. Woodhull*, James D. Hogan*, John K. Brigden, W. Edgar Jessup, Jr., Robert S. Dickerman, John R. Johnson, Roland R. Speers, Albert L. Latter*.

* Member of the Executive Committee.

Areas of Work: Provides electronic systems, analysis of military operations, research in the physical sciences and related professional services to industry and government.

Logicon, Inc.

Divisions:

Operating Systems Division
Fairfax, Virginia

R & D Associates
Marina del Rey, California

Divisions and Subsidiaries:

Strategic and Information Systems Division
255 West Fifth Street
San Pedro, California 90731
(213) 831-0611

Tactical and Training Systems Division
Sorrento Valley Boulevard
San Diego, California 92121
(714) 455-1330

Acquisition(s):

Chase, Rosen and Wallace, Inc
Alexandria, Virginia *
Provides engineering services for command, control, communications and intelligence systems to the U.S. government.

Control Dynamics Company
Huntsville, Alabama
Automatic control and dynamics engineering for military and space applications.

Transfer Agent(s):

First Interstate Bank of California
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): New York

Ticker Symbol: LGN

Number of Employees:

1986	2,500	1983	1,500
1985	2,100	1982	990
1984	2,100		

Plant Footage:

1986	613,000 sq. ft.	1983	470,000
1985	613,000	1982	300,000
1984	613,000		

Sales and Earnings

	Revenues †	Net Income
1986	$ 200,474,000	$ 10,019,000
1985	168,256,000	8,247,000
1984	128,033,000	5,876,000
1983	103,306,000	4,402,000
1982	83,344,000	3,133,000

	No. of Com. Shares ‡	Earn. per Share +
1986	4,682,000	$ 2.10
1985	4,486,000	1.79
1984	4,368,000	1.28
1983	4,296,000	1.00
1982	4,235,000	0.72

† Of continuing operations only
‡ Adjusted to reflect stock splits
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.23		
1985	0.19		
1984	0.153		3-for-2
1983	0.133		
1982	0.117		2-for-1

+ Adjusted to reflect stock splits

Common Stock Equity

	Total Equity	Equity Per Share +
1986	$ 52,486,000	$ 11.21
1985	41,178,000	9.18
1984	32,659,000	7.48
1983	26,765,000	6.23
1982	22,188,000	5.24

+ Adjusted to reflect stock splits

Income Account *

Year ended March 31	1986	1985
Services & products	198,425,000	165,966,000
Interest	$ 2,049,000	$ 2,290,000
Total Income	$ 200,474,000	$ 168,256,000
Cost of services & products	166,975,000	140,177,000
Expenses	13,980,000	11,729,000
Income before taxes	$ 19,519,000	$ 16,350,000
Income taxes	9,500,000	8,103,000
Net Income	$ 10,019,000	$ 8,247,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,895,000 in 1986 and $1,195,000 in 1985.

Assets

As of March 31	1986	1985
Cash	$ 1,425,000	$ 1,866,000
Short-term invest.	22,874,000	22,872,000
Accts. receiv., net	50,626,000	33,082,000
Prepaid expenses	1,432,000	1,041,000
Current Assets	$ 76,357,000	$ 58,861,000
#Fixed assets	5,392,000	3,292,000
Total Assets	$ 81,749,000	$ 62,153,000

Liabilities

	1986	1985
Accts. payable	$ 8,533,000	$ 5,567,000
Accrued payroll	12,589,000	10,672,000
Income taxes	8,141,000	4,736,000
Curr. Liabilities	$ 29,263,000	$ 20,975,000
+ Common stock	468,000	449,000
Add. paid-in capital	7,324,000	5,171,000
Retained earnings	45,025,000	35,619,000
Unearned compensation	(331,000)	(61,000)
Total Liabilities & Shareholders' Equity	$ 81,749,000	$ 62,153,000

Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

	1986	1985
%Income bef. Taxes to Sales	9.84	9.85
%Net Income to Sales	5.05	4.97
%Net Income to Equity	19.09	20.03
Working Capital	$47,094,000	$37,886,000
Current Ratio	2.61	2.81
Shareholders' Equity	$52,486,000	$41,178,000

LogiMetrics, Inc.

121-03 duPont Street
Plainview, New York 11803
(516) 349-1700

Officers: Murray H. Feigenbaum, chairman & president; Jerome Deutsch, exec. v.p.; George Rabin, v.p.-mfg.; Inam U. Hague, Eugene Blum, v.p.'s; Peter Gerstheimer, treasurer; Barbara Divack, secretary

Directors: Murray H. Feigenbaum, Alfred Mendelsohn, Jerome Deutsch, Ralph Wertheimer, George Rabin

Areas of Work: Engaged in the development, manufacture and sale of traveling wave tube amplifiers, radio frequency signal generators, and computer electronic test systems.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Number of Employees:

1984	66	1982	47
1983	47		

Plant Footage:

1984	20,000 sq. ft.	1982	10,000
1983	18,000		

Sales and Earnings

	Net Sales	Net Income #
1984	$ 6,890,042	$ 130,282
1983	4,863,799	187,045
1982	2,798,272	(570,541)
1981	3,883,010	126,358
1980	3,368,368	120,984

	No. of Com. Shares +	Earn. per Share ‡#
1984	1,489,562	$ 0.07
1983	1,246,362	0.11
1982	1,243,062	—
1981	703,062	0.18
1980	689,562	0.17

(Loss)
+ Class A and Class B common shares combined
‡ Based on the weighted average number of Class A and Class B common shares combined
# Including extraordinary gains of $68,000 ($0.04 per share) in 1984 and $73,900 ($0.04 per share) in 1983

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 1,907,857	$ 1.28
1983	1,529,375	1.23
1982	1,339,030	1.08
1981	1,159,194	1.65
1980	1,028,461	1.49

‡ Based on Class A and Class B common shares combined

Income Account *

Year ended June 30	1984	1983
Net sales	$ 6,890,042	$ 4,863,799
Cost of sales	4,826,200	3,397,663
Expenses	1,729,855	1,279,091
Pre-oper. loss of subsid.	301,705	
Minority interest	(98,000)	
Income before taxes	$ 130,282	$ 187,045
Income taxes	68,000	73,900
Net Income	$ 62,282	$ 113,145
Extraord. gain	68,000	73,900
Net Income & extraord. gain	$ 130,282	$ 187,045

* Included in Costs and Expenses, Depreciation and Amortization: $122,471 in 1984 and $77,890 in 1983

Assets

As of June 30	1984	1983
Cash	$ 95,958	$ 36,124
Accts. receiv., net	4,086,184	2,581,964
*Inventories	1,394,372	924,495
Prepaid exp. & other assets	139,351	38,604
Current Assets	$ 5,715,865	$ 3,581,187
#Fixed assets	627,418	485,016
Other assets	459,874	33,384
Intangibles	5,454	6,521
Total Assets	$ 6,808,611	$ 4,106,108

Liabilities

	1984	1983
Short-term borr.	$ 1,451,055	$ 350,000
Accts. payable & accruals	2,127,943	852,876
Cap. lease oblig., curr.	56,734	38,017

Curr. Liabilities	$ 3,635,732	$ 1,240,893
Subord. note pay.	1,182,649	1,119,148
Accrued interest	—	120,504
Cap. lease oblig.	82,373	96,118
+ Common Stock		
Class A	128,956	104,636
Class B	20,000	20,000
Add. paid-in capital	2,050,110	1,826,230
Deficit	(291,209)	(421,491)
Total Liabilities & Shareholders' Equity	$ 6,808,611	$ 4,106,108

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.89	3.85
%Net Income to Sales	0.90	2.33
%Net Income to Equity	3.26	7.40
Sales to Inventories	4.94	5.26
Working Capital	$2,080,133	$2,340,294
Current Ratio	1.57	2.89
Shareholders' Equity	$1,907,857	$1,529,375

Loral Corporation

600 Third Avenue
New York, New York 10016
(212) 697-1105

Officers: Bernard L. Schwartz, chairman of the board & chief executive officer; Frank C. Lanza, president & chief operating officer; Michael P. DeBlasio, sr. v.p.-finance; Stephen L. Jackson, v.p.-administration; Robert V. LaPenta, v.p. & controller; Michael B. Targoff, v.p., gen. counsel & secretary; Harold Penn, treasurer; Jack Davis, v.p. & president-Loral Electro-Optical Systems; Harry Emerzian, group v.p.-Microwave; Robert Welte, v.p. & president-Loral Electronic Systems; Bonnie A. Ross, asst. secretary; Arthur J. O'Connor, v.p.-communications.

Directors: Bernard L. Schwartz*, chairman; Homer Chapin, Robert B. Hodes*, Gershon Kekst*, E. Donald Shapiro, Allen Shinn, Malvin Ruderman, Frank C. Lanza, Daniel Yankelovich.

* Member of the Executive Committee.

Areas of Work: Designs, develops, and manufactures defense electronic systems including electronic countermeasures, surveillance and reconnaissance, also manufactures communications systems, UHF and VHF transceivers and teletypewriters, fabricates precision optical and navigation equipment from beryllium for satellite, missile and aircraft applications; and designs molds and decorates plastic packaging for consumer products.

Divisions and Subsidiaries:

Loral Electronic Systems
Ridge Hill
Yonkers, New York 10710
(914) 968-2500
Develops and manufactures airborne radar warning receivers, self-protection systems, electronic surveillance systems, targeting systems, electronic environment simulators.

Loral Data Systems/Conic
9020 Balboa Avenue
San Diego, California 92123
(714) 279-0411
Supplies telemetry equipment for military applications.

Frequency Sources, Inc.—West
3140 Alfred Street
Santa Clara, CA 95050
(408) 727-8500

Loral Randtron Systems
130 Constitution Drive
Menlo Park, CA 94025
(415) 326-9500

Loral International
Yonkers, New York
Systems design and foreign marketing

Loral Electro-Optical Systems
P.O. Box 7101
300 North Halstead Street
Pasadena, California 01109
(818) 351-3555
Infrared countermeasures, laser-based simulation systems for training, space systems.

Loral Instrumentation
8401 Aero Drive
San Diego, California 92123
(619) 560-6260
Data acquisition and analysis systems for real time applications.

Loral Information Display Systems
6765 Peachtree Industrial Boulevard
Atlanta, Georgia 30360
(404) 448-1604
Information and graphic display systems.

Narda Microwave
435 Moreland Road
Hauppauge, New York 11788
(516) 231-1700
Passive and active microwave components, integrated microwave assemblies, test equipment.

Narda Microwave Western Operation
214 Devcon Drive
San Jose, California 95112
(408) 995-0600
Passive and active microwave components, GaAs FET semiconductors, integrated assemblies.

Frequency Sources
16 Maple Road
Chelmsford, Massachusetts 01824
(617) 256-4113
Passive and active microwave components, specialized semiconductors, integrated assemblies.

Loral Advanced Technology Labs
5001-G Forbes Boulevard
Washington Business Park
Lanham, Maryland 20706
(301) 459-8240
Advanced microwave integrated circuit research.

Loral Terracom
9020 Balboa Avenue
San Diego, California 92123
(619) 278-4100
Microwave communications and radio equipment.

Loral Southcom
2210 Meyers Avenue
P.O. Box 2236
Escondido, California 92025
(619) 746-1141
Single sideband high-frequency radios and field terminals.

Loral American Beryllium
Sarasota, Florida 33588
Precision-machined exotic metals for aerospace and energy applications.

Loral Hycor
Woburn, Massachustts

Wavecom
Northridge, California

Transfer Agent(s):

The First Jersey National Bank
Jersey City, New Jersey

Stock Exchange(s): New York

Ticker Symbol: LOR

Number of Employees:

1986	N.A.	1983	6,000
1985	6,500	1982	N.A.
1984	N.A.		

N.A.—Not Available

Sales and Earnings

	Net Sales	Net Income
1986	$ 663,818,000	$ 52,993,000
1985	502,287,000	42,052,000
1984	418,340,000	33,893,000
1983	310,061,000	26,536,000
1982	281 922,000	26,009,000

	No. of Com. Shares ‡	Earn. per Share ×
1986	23,691,000	$ 2.21
1985	23,355,000	1.79
1984	23,104,000	1.45
1983	22,517,000	1.16
1982	22,261,000	1.15

‡ Adjusted to reflect stock split.
× Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1986	1985
Electronic warfare	$ 592,280	$ 438,156
Electronic communications	42,666	33,093
Others	28,872	31,038
Total	$ 663,818	$ 502,287

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.51	—	—
1985	0.48	—	—
1984	0.44	—	2-for-1
1983	0.40	—	—
1982	0.36	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 309,346,000	$ 13.06
1985	260,115,000	11.14
1984	224,946,000	9.74
1983	193,318,000	8.59
1982	172,610,000	7.75

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended March 31	1986	1985
Net sales	$ 663,818	$ 502,287
Cost of sales & expenses	570,176	435,657
Interest income	(6,585)	(7,656)
Interest expense	9,009	3,012
Income before taxes	$ 91,218	$ 71,274
Income taxes	38,225	29,222
Net Income	$ 52,993	$ 42,052

* Included in Costs and Expenses, Depreciation and Amortization: $29,272,000 in 1986 and $17,992,000 in 1985.

Assets
(000's)

As of March 31	1986	1985
Cash & market. secur.	$ 54,688	$ 48,293
Accts. receiv.	122,593	79,660
Unbilled contract receiv.	44,125	36,697
*Inventories	140,179	108,774
Costs in exc. of assets acq.	10,178	—
Other curr. assets	6,725	4,058
Current Assets	$ 378,488	$ 277,482
Marketable securities	27,055	26,089
#Fixed assets	185,003	144,201
Intangibles	105,380	43,366
Total Assets	$ 695,926	$ 491,138

Loral Corporation

Liabilities
(000's)

Contract advances	$ 6,620	$ 17,568
Notes payable	1,161	1,113
Accts. payable	60,044	44,486
Salaries & wages	30,414	19,768
Income taxes	105,674	70,278
Other liab.	24,714	15,586
Curr. Liabilities	$ 228,627	$ 168,799
Long-term debt	132,393	32,408
Deferred inc. taxes	25,560	29,816
+ Common stock	5,967	5,885
Add. paid-in capital	111,473	104,070
Retained earnings	197,743	156,755
Treasury stock	(4,882)	(4,674)
Unreal. loss on market. secur.	(955)	(1,921)
Total Liabilities & Shareholders' Equity	$ 695,926	$ 491,138

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	13.74	14.19
%Net Income to Sales	7.98	8.37
%Net Income to Equity	17.13	16.17
Sales to Inventories	4.74	4.62
Debt to Equity	0.43	0.13
Working Capital	$149,861,000	$108,683,000
Current Ratio	1.66	1.64
Shareholders' Equity	$309,346,000	$260,115,000

The LTV Corporation

(Operating under Chapter 11 of the U.S. Bankruptcy Code.)

LTV Center
2001 Ross Avenue
P.O. Box 225003
Dallas, Texas 75265
(214) 742-9555

Officers: Raymond A. Hay, chairman of the board & chief exec. officer; Sheldon M. Lambert, sr. v.p.-corp. planning; Walter E. Meyer, sr. v.p.-personnel; James J. Paulos, exec. v.p; Julian Scheer, sr. v.p.-corporate affairs; G. Emmett Smith, sr. v.p., general counsel & secretary; Lee A. Drake, group v.p., president & chief executive-LTV Energy Products Co.; Robert L. Kirk, group v.p., president & chief executive-LTV Aerospace & Defense Co.; David H. Hoag, group v.p., president & chief executive-LTV Steel Co.; James F. Powers, sr. v.p. & chief financial officer; John W. Johnson, v.p.-advertising; John K. Meagher, v.p.-government relations; Robert L. Guyett, v.p. & controller.

Directors: Raymond A. Hay*, chairman; William H. Bricker*, John J. Elmore, Maurice F. Granville, Edward C. Joullian, III*, Charles P. Lykes*, James M. Roche, A. Bronson Thayer, Roy H. Holdt, James R. Kerr

* Member of the Executive Committee

Areas of Work: A multi-industry operating company involved in steel, aerospace defense and energy products. It is a primary supplier of steel products to the automotive, appliance and construction industries; missiles, aircraft components, tactical wheeled vehicles and electronics to the defense & commercial aerospace markets, and tubular products, oil field supplies, and drilling and production equipment to the petroleum industry.

Divisions and Subsidiaries:

LTV Aerospace & Defense Company

Vought Aero Products Division
P.O. Box 5907
Dallas, Texas 75222
(214) 742-9555

Primarily engaged in the design, development and production of military aircraft, commercial aircraft components, missiles, space launch vehicles and other aerospace products, and in furnishing related administrative and technical support services. Also engaged in the research, design, and development of surface transportation systems.

AM General Division

Manufactures a High Mobility Multi-purpose Wheeled Vehicle, known as the Hummer, and the M939 heavy-duty 5-ton truck, for sale to the U.S. Army and foreign militaries.

Sierra Research Division
247 Cayuga Road
Buffalo, New York 14225
(716) 631-6200

Designs, develops, and manufactures highly advanced computer-controlled electronic systems for a wide range of applications in both government and industry, including radar, data transmission, aircraft navigation, factory data collection.

LTV Steel Company

Jones & Laughlin Steel Corporation
3 Gateway Center
Pittsburgh, Pennsylvania 15263
(412) 565-3240

Fully integrated steel producer offering diversified line of carbon steel products which includes hot and cold rolled sheet, tin mill and other flat rolled coated products, hot rolled and cold finished bars, tubular products, light plated and structural shapes and rod and wire products. Youngstown Sheet & Tube Company operations complement those of Jones & Laughlin.

LTV Energy Products Company

Continental-Emsco Company

Product line includes a complete range of drilling equipment such as derricks, drawworks, mud pumps, swivels, blocks, rotary machines and other complementary equipment for land-based and offshore rigs, surface and subsurface production equipment and slurry pumping equipment. Also manufactures marine transfer systems used to load and unload large volumes of petroleum products to and from oil tankers.

Transfer Agent(s):

MBank Dallas
P.O. Box 225415
Dallas, Texas 75265

Stock Exchange(s): New York, Pacific

Ticker Symbol: LTV

Number of Employees:

1985	56,800	1982	30,600
1984	58,600	1981	51,700
1983	37,300		

Sales and Earnings

	Net Sales † (000's)	Net Income + (000's)
1985	$ 8,198,800	$ (723,900)
1984	7,046,100	(378,200)
1983	4,577,800	(180,700)
1982	4,776,800	(154,900)
1981	7,053,700	386,300

	No. of Com. Shares	Earn. per Share + ‡
1985	88,559,104	$
1984	83,186,066	
1983	54,648,950	
1982	49,020,212	
1981	48,188,594	7.97

(Loss)
† Of continuing operations only.
+ Including extraordinary gains of $47,600,000 in 1985 and $23,400,000 per share in 1983.
‡ Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Steel	$ 5,375,400	$ 4,521,500
Energy prods. & serv.	591,700	647,000
Aerospace	2,258,500	1,952,900
Interseg. eliminations	(26,800)	(75,300)
Total	$ 8,198,800	$ 7,046,100

Common Stock Equity

	Total Equity +	Equity Per Share
1985	$ 640,600,000	$ 4.02
1984	1,354,600,000	12.87
1983	1,135,400,000	17.75
1982	1,115,100,000	22.23
1981	1,284,700,000	25.95

+ After allowing for preferred stock at par values.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales & revenues	$ 8,198,800	$ 7,046,100
Cost of sales	7,609,400	6,606,100
Expenses	461,500	443,600
Depreciaion & amortization	247,200	194,000
Write-down of steel facilities	380,000	—
Int. & debt discount	318,900	250,600
Int. & other income	(48,500)	(42,600)
Loss bef. taxes	$ (769,700)	$ (405,600)
Income taxes (credit)	1,800	(27,400)
Net Loss	$ (771,500)	$ (378,200)
Extraord. gain	47,600	—
Net Loss & extraord. gain	$ (723,900)	$ (378,200)

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. invest.	$ 11,900	$ 52,800
Receivables-net	921,300	931,200
*Inventories	1,428,200	1,562,300
Other	65,000	143,900
Current Assets	$ 2,426,400	$ 2,690,200
Investments & other assets	657,700	733,500
#Fixed assets	3,222,600	3,502,300
Total Assets	$ 6,306,700	$ 6,926,000

Liabilities
(000's)

Notes payable	$ 399,300	$ 287,700
Long-term debt & cap. lease oblig., curr.	78,700	141,900
Accts. payable	746,500	758,900
Accrued liabilities	983,600	891,000
Income taxes	33,000	34,200
Curr. Liabilities	$ 2,241,100	$ 2,113,700
Long-term debt	2,146,400	2,226,900
Emp. comp. & benefits	625,900	559,200
Plant rationalization	416,400	352,200
Other liab.	125,000	210,300
+ Series A & Series C preferred stock-mandatory redemp.	99,700	97,500
+ + Series B pref. stock	6,000	6,000
+ + + Series D pref. stock	5,400	5,400
+ + + + Class AA special stock	200	200
+ + + + + Common stock	44,300	41,600
Add. paid-in capital	1,574,700	1,539,700
Retained earnings (deficit)	(881,300)	(131,800)
Exc. of redemp. value over par Series A & Series C pref.	(97,100)	(94,900)
Total Liabilities & Shareholders Equity	$ 6,306,700	$ 6,926,000

* At cost (LIFO) which is lower than market value.
# Less accumulated depreciation.
+ $5 par value, $5 cumulative - Series A; $5.25 par value, $5.25 cumulative - Series C.

+ + $1 par value; $3.06 cumulative.
+ + + $1 par value: $5 cumulative
+ + + + $0.50 par value; 3% cumulative.
+ + + + + $0.50 par value.

Statistical Summary

Debt to Equity	4.02	1.94
Working Capital	$185,300,000	$ 576,500,000
Current Ratio	1.08	1.27
Shareholders' Equity	$652,200,000	$1,366,200,000

Lumonics Inc.

105 Schneider Road
Kanata, Ontario
Canada K2K 1Y3
(613) 592-1460

Officers: Gordon A. Mauchel, chairman of the board; Robert J. Atkinson, president & chief exec. officer; James K. Wright, v.p. & chairman-JK Lasers Limited; Philip R. Schmidt, v.p. & president-Laser Identification Systems, Inc.; Douglas J. James, v.p. & man. dir.-JK Lasers Limited; Richard E. Hall, secretary & treasurer.

Directors: Gordon A. Mauchel, chairman; Robert J. Atkinson, Allan R. Buchanan, Douglas C. Cameron, Allan V. Castledine, Charles J. Gardner, Douglas J. James, R. Timothy Kenny, Philip R. Schmidt, James K. Wright.

Areas of Work: Manufactures and markets a variety of lasers and laser systems for marking, materials processing, scientific and medical applications.

Divisions and Subsidiaries:

Lumonics Software Ltd.
105 Schneider Road
Kanata, Ontario
Canada K2K 1Y3
(613) 592-1460

Lumonics Corporation
2905 South Potter Road
Tempe, Arizona 85282
(602) 438-1420

Laser Identification Systems, Inc.
3269 Vista Mercado
Camarillo, California 93010
(805) 987-2211

JK Laser Limited
Cosford Lane, Swift Valley
Rugby, Warwickshire
CV21 1QN England

Lumonics Pacific KK
P.O. Box 29
Nishi-Yubinkyoku
Hachioji, Tokyo 193
Japan

Acquisition(s):

Photon Sources, Inc.
12163 Globe Road
Livonia, Michigan 48150
(313) 591-0101

Photon Sources GmbH
Plankenhof Strasse 33
8000 Meunchen 81
West Germany

Engaged in the design, development, manufacture and sale of high power carbon dioxide laser systems with applications in the drilling, cutting, welding and heat treating areas of materials processing.

Transfer Agent(s):

The Canada Trust Company
Toronto, Ontario, Canada

Stock Exchange(s): Toronto

Ticker Symbol: LUM

Number of Employees:

1985 614 1984 378

Sales and Earnings*

	Net Sales	Net Income †
1985	$ 52,975,000	$ 2,680,000
1984	38,430,000	5,732,000
1983	22,778,000	3,262,000
1982	14,607,000	2,119,000
1981	9,088,000	1,520,000

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	8,811,000	$ 0.30
1984	8,140,000	0.70
1983	7,826,000	0.42
1982	6,072,000	0.35
1981	5,382,000	0.28

* Canadian dollars.
† Including extraordinary loss of $3,140,000 ($0.36 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Industrial	$ 66%	$ 71%
Scientific	27	21
Medical	3	6
Contract R & D	4	2
Total	$ 100%	$ 100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 75,359,000	$ 8.55
1984	44,989,000	5.53
1983	35,527,000	4.54
1982	22,160,000	3.65
1981	11,648,000	2.16

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 52,975	$ 38,430
Cost of sales	40,451	26,262
Expenses	4,284	4,331
Interest income	(1,072)	(1,581)
Income before taxes	$ 9,312	$ 9,418
Income taxes	3,492	3,686
Net Income	$ 5,820	$ 5,732
Extraord. loss	(3,140)	—
Net Income & extraord. loss	$ 2,680	$ 5,732

* Included in Costs and Expenses, Depreciation and Amortization: $1,537,000 in 1985 and $973,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 2,121	$ 695
Short-term invest.	12,726	12,905
Accts. receiv., net	23,214	11,528
Refundable taxes	2,358	—
*Inventories	20,595	8,907
Prepaid expenses	708	157
Current Assets	$ 61,722	$ 34,192
#Fixed assets	20,374	9,839
Def. develop. costs	702	676
Intangibles	23,222	11,683
Total Assets	$ 106,020	$ 56,390

Liabilities
(000's)

Bank indebtedness	$ 5,027	$ 1,623
Long-term debt, curr.	572	186
Accts. payable & accruals	14,149	5,661
Income taxes	—	1,268
Curr. Liabilities	$ 19,748	$ 8,738
Long-term debt	8,918	1,123
Deferred inc. taxes	1,995	1,540
+Common stock	56,391	30,754
Retained earnings	17,983	15,303
For. curr. trans. adj.	985	(1,068)
Total Liabilities & Shareholders' Equity	$ 106,020	$ 56,390

* At lower of cost and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	17.58	24.51
%Net Income to Sales	10.99	14.92
%Net Income to Equity	7.72	12.74
Sales to Inventories	2.57	4.31
Debt to Equity	0.19	0.07
Working Capital	$41,974,000	$25,454,000
Current Ratio	3.13	3.91
Shareholders' Equity	$75,359,000	$44,989,000

Lynch Communication Systems, Inc.

(24% owned by CIT Alcatel S.A. of Paris, France)

204 Edison Way
Reno, Nevada 89520
(702) 786-4020

Officers: E.F. Dertinger, chairman of the board & chief executive officer; J.H. Vogt, president & chief operating officer; J.K. Griffith, v.p.-Far East operations; J.W. Walters, v.p.-corporate marketing; J.B. Sanders, exec. v.p. & treasurer; R.S. Boren, sr. v.p.; A.G. Hutcheson, v.p.; C.L. Stanco, secretary.

Directors: E.F. Dertinger*, Stuart M. Beringer, T.G. Edwards, J.H. Vogt, James B. Surpless*, Paul B. Wineman, J.B. Sanders, W.C. Schweizer*, Hubert L. Kertz, F.H. de Laage de Meax*, G. Magnan, C.P. Favard, R. Hono.

*Member of the Executive Committee

Areas of Work: Designs and manufactures telephone, carrier communication systems, related equipment, and accessories for use by telephone operating companies.

Subsidiaries:

Lynch Communication Systems Inc. (Nevada)
204 Edison Way
Reno, Nevada 89520
(702) 786-4020

Transcom Electronics, Inc.
1170 East Main Road
Portsmouth, Rhode Island 02871
(401) 683-3000

Transcom Electronics Manufacturing, Ltd.
239 Belanger Street
St. Jerme, Quebec, Canada J7Y 1K7
(514) 438-1060

Lynch Communication Systems International Inc.
204 Edison Way
Reno, Nevada 89520

Lynch Circuits Inc.
1140 West Evelyn Avenue

Lynch Communication Systems, Inc.

Sunnyvale, California 94086
(415) 965-1375

Tailyn Communications Company, Ltd.
(40% equity interest)

Manufactures, markets and installs electronic telecommunication equipment.

Transfer Agent(s):

Fleet National Bank
Stock Transfer Department
P.O. Box 366
Providence, Rhode Island 02901

Stock Exchange(s): American

Ticker Symbol: LYC

Sales and Earnings

	Net Sales	Net Income
1985	$ 101,242,000	$ 5,821,000
1984	88,659,000	5,766,000
1983	58,772,000	1,964,000
1982	54,891,000	(1,312,000)
1981	47,353,000	529,000

	No. of Com. Shares +	Earn. per Share ‡
1985	7,069,434	$ 0.83
1984	6,274,110	1.23
1983	4,191,078	0.47
1982	4,181,846	—
1981	4,170,708	0.17

(Loss)
+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.182	—	3-for-2
1984	0.084	—	—
1983	0.067	—	—
1982	0.067	—	—
1981	0.067	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 75,840,000	$ 10.73
1984	61,442,000	9.79
1983	28,587,000	6.82
1982	26,873,000	6.43
1981	28,321,000	6.79

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 101,242,000	$ 88,659,000
Cost of sales	70,985,000	61,476,000
Res. & develop. costs	7,876,000	4,977,000
Expenses	14,788,000	12,381,000
Interest expense	925,000	2,074,000
Other income	(2,778,000)	(1,778,000)
Non-recurr. benefit for discont. prod. line		(657,000)
Income before taxes		10,186,000
Income taxes	$ 3,625,000	$ 4,420,000
Net Income	$ 5,821,000	$ 5,766,000

* Included in Costs and Expenses, Depreciation $2,744,000 in 1985 and $2,130,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 25,818,000	$ 20,526,000
Accts. receiv., net	16,400,000	22,410,000
*Inventories	29,836,000	29,458,000
Prepaid expenses	333,000	223,000
Deferred inc. taxes	2,319,000	1,959,000
Current Assets	$ 74,706,000	$ 74,576,000
#Fixed assets	19,046,000	16,924,000
Invest. in unconsol. affil.	1,705,000	1,345,000
Other assets	401,000	812,000
Total Assets	$ 95,858,000	$ 93,657,000

Liabilities

Long-term debt, curr.	$ 988,000	$ 788,000
Accts. payable	3,193,000	6,683,000
Accrued compensation	2,186,000	2,782,000
Accrued liabilities	5,889,000	4,825,000
Income taxes	1,169,000	1,621,000
Curr. Liabilities	$ 13,425,000	$ 16,699,000
Long-term debt	4,792,000	14,568,000
Special retirement plans	90,.000	100,000
Deferred inc. taxes	1,711,000	848,000
+Common stock	743,000	6,640,000
Add. paid-in capital	49,953,000	40,782,000
Retained earnings	21,095,000	16,542,000
Trans. adjust.	(272,000)	(182,000)
Treasury stock	(2,372,000)	(2,340,000)
Total Liabilities & Shareholders' Equity	$ 95,858,000	$ 93,657,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.33	11.49
%Net Income to Sales	5.75	6.50
%Net Income to Equity	7.68	9.38
Sales to Inventories	3.39	3.01
Debt to Equity	0.09	0.24
Working Capital	$61,281,000	$57,877,000
Current Ratio	5.56	4.47
Shareholders' Equity	$75,840,000	$61,442,000

M/A-COM, Inc.

7 New England Executive Park
Burlington, Massachusetts 01803
(617) 272-9600

Officers: Richard T. DiBona, chairman, president & chief executive officer; Frank Drendel, John G. Puente, vice chairmen; Joseph C. Bothwell, Jr., sr. v.p.-corporate development; Hugh E. Bradshaw, sr. v.p., secretary & corp. counsel; James F. Bunker, sr. v.p.-corp. marketing; Frank A. Brand, exec. v.p. & chief operating officer; Richard B. Hart, asst. secretary & assoc. corporate counsel; Paul F. Brauneis, sr. v.p. & comptroller; Thomas F. Burke, exec. v.p.-finance and administration; Stephen P. Zezima, v.p.; Ralph B.G. Bakkensen, asst. secretary; Denis Maiorani, treasurer; George W. McPhee & Gregory W. Sullivan, asst. treasurers; Irving J. Helman, clerk.

Directors: Vessarios Chigas, Irving J. Helman, Nelson S. Gifford, George N. Hutton, Jr., George Ingram, Jr., Richard T. DiBona, Sidney S. Kahn, Thomas F. Burke, Robert E. LaBlanc, William F. Pounds, John G. Puente, James D. Meindl, E. James Morton, Frank M. Drendel, Frank A. Brand, Paul E. Tsongas.

Areas of Work: Manufactures microwave components parts, subassemblies and all solid-state microwave relay equipment for radar, electronic countermeasures and telecommunication markets, and engages in related research and development. Digital satellite equipment and products for fiber optics transmission systems.

Divisions and Subsidiaries:

Components Products

M/A-COM Semiconductor Division
 M/A-COM PHI, Inc.
 M/A-COM Laser Diode, Inc.
 M/A-COM Semiconductor Products, Inc.
 Microwave Associates, Ltd.

Silicon material, silicon and gallium arsenide microwave diodes, low noise transistors, high power transistors and amplifiers, optical materials, light emitting diodes, laser diodes, optical detectors and optical subsystems.

M/A-COM Components Division
 M/A-COM Omni-Spectra, Inc.
 M/A-COM Microwave Components, Inc.

Microwave connectors, cable assemblies and passive components, including ferrites, tubes, transmission and high-power control components.

M/A-COM Subsystems Division
 M/A-COM OSW, Inc.
 M/A-COM MPD, Inc.
 M/A-COM Microwave Circuits, Inc.
 Microkim, Ltd.

Broadband microwave amplifiers, oscillators and subsystems, high power R.F. and microwave amplifiers, transmitters and subsystems, microwave integrated multifunction assemblies and subsystems.

Components Support Operations
 M/A-COM Components Marketing, Inc.

Worldwide field marketing of components.

M/A-COM Technology Center
 M/A-COM Millimeter Products, Inc.
 M/A-COM MDM, Inc.

Development of advanced microwave technology, systems and high frequency millimeter wave sources, components and subsystems and active and passive antenna arrays for defense systems.

M/A-COM Advanced Semiconductors Operations

Research, design, development and production of gallium arsenide materials, field effect transistors, integrated analog and digital circuits.

Cable/Home Communications

M/A-COM Cable/Home Communications Division

 M/A-COM Comm/Scope, Inc.
 M/A-COM Prodelin, Inc.
 M/A-COM Video Products Group

Coaxial cable for CATV and Local Area Networks, Home TVRO and DBS antennas, earth stations and associated electronic equipment and video encryption equipment for the CATV and home TVRO markets.

M/A-COM MAC Division

Video, data and voice microwave transmission systems, including Electronic News Gathering, point-to-point and point-to-multipoint analog and digital transmission equipment.

Integrated Digital Communications Business Segment

M/A-COM Telecommunications Division
M/A-COM Government Systems Division
 M/A-COM DCC Inc.
 M/A-COM LINKABIT, Inc.

Digital and secure communications equipment and software for satellite and terrestrial communications for government and commercial design, data and lightwave communications, network systems design, sales and services.

M/A-COM Information Systems Division
 Sigma Data Services Corp.
 M/A-COM Service Corporation
 M/A-COM Information Systems, Inc.

National, single source of mini and microcomputer systems, terminals and data communication equipment including financing, maintenance, software services, facility management and training.

M/A-COM Development Corporation

Management of strategic investments, strategic planning, government policy and telecommunications standards review.

Transfer Agent(s):

Bank of Boston
Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): New York, Boston

Ticker Symbol: MAI

Number of Employees:

1985	11,790	1982	8,739
1984	10,541	1981	7,844
1983	9,508		

Plant Footage:

1985	3,071,000 sq. ft.	1982	2,652,000
1984	3,695,000	1981	2,080,000
1983	2,780,000		

Sales and Earnings

	Net Sales ‡	Net Income ‡
1985	$ 844,140,000	$ 41,675,000
1984	764,432,000	38,801,000
1983	632,455,000	31,716,000
1982	585,206,000	42,425,000
1981*	495,532,000	43,760,000

	No. of Com. Shares	Earn. per Share ‡ ×
1985	43,534,000	$ 0.92
1984	43,297,000	0.90
1983	43,102,000	0.76
1982	40,528,000	1.08
1981*	38,785,000	1.13

* 53 weeks.

‡ Of continuing operations only.

× Excluding extraordinary gain of $3,121,000 ($0.08 per share) in 1982.

+ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.235	—	—
1984	0.215	—	—
1983	0.19	—	—
1982	0.15	—	—
1981	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 465,045,000	$ 10.68
1984	426,289,000	9.85
1983	391,647,000	9.09
1982	315,080,000	7.77
1981	264,104,000	6.81

Income Account *

(000's)

Year ended	9/28/85	9/29/84
Net sales	$ 844,140	$ 764,432
Cost of sales	583,316	532,696
Expenses	190,085	166,405
Interest income	(5,330)	(6,510)
Interest expense	15,669	13,619
Income bef. taxes	$ 60,400	$ 58,222
Income taxes	18,725	19,421
Income from cont. operations	$ 41,675	$ 38,801
Loss from discont. oper.	(2,300)	(601)
Net Income	$ 39,375	$ 38,200

* Included in Costs and Expenses, Depreciation and Amortization: $46,050,000 in 1985 and $37,457,000 in 1984.

Assets

(000's)

As of	9/28/85	9/29/84
Cash & market. secur.	$ 52,628	$ 70,313
Accts. receiv., net	183,869	177,477
Unbilled costs under cust. cont.	89,628	52,920
*Inventories	194,668	134,909
Other curr. assets	16,394	14,473
Current Assets	$ 537,187	$ 450,092
#Equip. on lease	22,542	21,753
#Fixed assets	254,101	226,105
Other assets & notes receiv.	57,530	44,240
Total Assets	$ 871,360	$ 742,190

Liabilities

(000's)

Notes payable	$ 3,619	$ 9,504
Long term debt, curr.	9,605	5,883
Accts. payable	49,646	67,151
Accruals	35,354	26,793
Accrued payroll	27,531	28,271
Income taxes	22,848	—
Curr. Liabilities	$ 148,603	$ 137,602
Long-term debt	202,906	123,927
Deferred inc. taxes	34,700	35,600
Other long-term liabilities	20,106	18,772
+ Common stock	43,534	43,297
Add. paid-in capital	233,113	216,000
Retained earnings	224,722	195,563
Deferred comp.	(36,324)	(28,571)
Total Liabilities & Shareholders' Equity	$ 871,360	$ 742,190

* At lower of cost (FIFO and LIFO) or market.

# Less accumulated depreciation.

+ $1 par value.

Statistical Summary

%Net Income to Equity	8.47	8.96
Sales to Inventories	3.32	5.70
Debt to Equity	0.46	0.33
Working Capital	$388,584,000	$312,490,000
Current Ratio	3.61	3.27
Shareholders' Equity	$465,045,000	$426,289,000

Magna International Inc.

36 Apple Creek Boulevard
Markham, Ontario, Canada L3R 4Y4
(416) 477-7766

Officers: Frank Stronach, chairman of the board & chief exec. officer; Manfred Gingl, president & chief operating officer; Robert M. Jones, v.p.-marketing; Harry Bytzek, Richard G. Hrga, Werner Erti, Veli Spring, Wolfgang Ruhland, George Schacht, group operating executives; D. Robin Sloan, sr. v.p.; Keith H. Wettlaufer, treasurer; James R. McAlpine, exec. v.p. & chief financial officer; Dennis J. Mills, v.p.-corporations; J. Brian Colburn, v.p., secretary & general counsel; Michael R. Hottinger, exec. v.p. & chief marketing officer; Stephen M. Richards, controller.

Directors: Manfred Gingl, James F. McCallum, Frank Stronach, D. Robin Sloan, William B. Boggs, William J. Corcoran, George C. Hitchman, Donald Resnick, William G. Davis, Michael R. Hettinger, Jack L. Lawrence, James R. McAlpine, Heatler Reisman, Lionel H. Schipper.

Areas of Work: Manufacturer of metal products, decorative products, mechanical devices, electronic and sheet metal components, and parts for the North American automotive industry.

Divisions:

Magna Manufacturing Group
Manufactures a variety of stamped, formed and welded metal products from motor mounts and scuff plates to underbodies and chasis components.

Decorative Products Group
Produces decorative products segmented into two master lines: trim components and large plastic exterior components.

Creative Mechanical Technologies (CMT) Group
Manufactures intricate mechanical assemblies for automobiles.

MACI Group
Produces a large variety of electro-mechanical devices, electronic components and instrument clusters for the automotive industry.

Maple Group
Manufactures accessory drive systems and reaction injection molded parts.

Sheet Metal Group
Manufacture of sheet metal components for the automotive industry.

Joint Ventures:

Webasto-Werk
Michigan
Sunroof manufacturer

Grammer Seating Systems
West Germany
Seating systems.

Brown, Boveri & Cie
Mannheim, West Germany
Power trains and batteries.

GSM Design Inc.
Plastic body vehicles.

Transfer Agent(s):

The Canada Trust Company
Toronto, Canada

Bank of Nova Scotia Trust Company of New York
New York, New York

Stock Exchange(s): Toronto, Over-the-Counter

Ticker Symbol: MG (Toronto), MAGAF (NASDAQ)

Number of Employees:

1985	7,500	1983	4,000
1984	5,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 690,400,000	$ 43,191,000
1984	493,559,000	31,480,000
1983	302,451,000	14,647,000
1982	226,534,000	5,265,000
1981	232,114,000	6,911,000

	No. of Com. Shares #	Earn. per Share †
1985	23,956,849	$ 2.00
1984	17,024,911	1.93
1983	14,604,911	1.10
1982	9,929,172	0.49
1981	10,316,172	0.64

+ Of continuing operations only.

# Class A Common and Class B shares combined, adjusted to reflect stock dividend.

† Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.48	—	—
1984	0.31	—	—
1983	0.26	100%	—
1982	0.25	—	—
1981	0.36	—	—

+ Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity +	Equity Per Share †
1985	$ 297,935,000	$ 12.44
1984	143,566,000	8.43
1983	81,590,000	5.59
1982	41,017,000	4.13
1981	39,631,000	3.84

+ After allowing for preferred stock at stated value.

† Adjusted to reflect stock dividend.

Income Account

(000's)

Year ended July 31	1985	1984
Net sales	$ 690,400	$ 493,559
Cost of sales	522,196	369,616
Depreciation	24,322	15,044
Expenses	70,618	46,868
Interest expense	3,582	4,522
Amortization	252	385
Income before taxes	$ 69,430	$ 57,124
Income taxes	22,850	22,550
Minority interest	3,389	3,094
Net Income	$ 43,191	$ 31,480

Assets
(000's)

As of July 31	1985	1984
Accts. receiv., net	$ 133,795	$ 86,370
*Inventories	120,634	87,386
Prepaid expenses	3,391	3,417
Current Assets	$ 257,820	$ 177,173
#Fixed assets	374,683	179,817
Invest. in Devtek Corp.	6,201	4,239
Other assets	6,704	5,346
Total Assets	$ 645,408	$ 366,575

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 12,279	$ 7,588
Bank indebtedness	75,098	
Accts. payable and accruals	107,409	77,739
Income taxes payable (recoverable)	(1,087)	8,882
Curr. Liabilities	$ 193,699	$ 97,369
Long-term debt	103,997	96,497
Minority interest	12,819	7,635
Deferred inc. taxes	31,858	16,408
+ 7% preferred stock	5,100	5,100
+ Class A common stock	194,722	69,783
+ Class B common stock	1,590	1,640
Retained earnings	101,623	72,143
Total Liabilities & Shareholders' Equity	$ 645,408	$ 366,575

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation.

Statistical Summary

	1985	1984
% Income bef. Taxes to Sales	10.06	11.57
% Net Income to Sales	6.26	6.38
% Net Income to Equity	14.25	21.17
Sales to Inventories	5.72	5.65
Debt to Equity	0.35	0.70
Working Capital	$ 64,121,000	$ 79,804,000
Current Ratio	1.33	1.82
Shareholders' Equity	$303,035,000	$148,666,000

Magnetic Controls Company

5501 Green Valley Drive
Bloomington, Minnesota 55437
(612) 835-6800

Officers: C.M. Denny, Jr., president & chief executive officer; R.C. Wagner, sr. v.p.-operations; D.H. Moersch, v.p.-human recources; L.J. Morgan, v.p.-finance & treasurer; P.P. Gombrich, sr. v.p.-market & technology development; D.A. Leese, v.p.-sales; L.A. Robert, v.p.-training & development; M.B. Hasselquist, secretary; W.C. Hamer, v.p. & chief technical officer; L.J. Davis, v.p.-manufacturing; C.R. Bigham, v.p.-information services; W.P. Brady, controller.

Directors: Charles M. Denny, Jr., Maynard B. Hasselquist, Lennie L. Arnevik, Bernd Hoefflinger, Frank A. Donaldson, Warde F. Wheaton.

Areas of Work: Designs, manufactures and sells electronic and electromechanical products under the trade name "ADC." Principal products are test and alarm systems, voice and data patching components, and transformers, filters and power supplies. Products are sold primarily to the telephone, computer, instrument, and aviation industries.

Subsidiaries:

ADC International, Inc.
Minneapolis, Minnesota

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota 55402

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MGNE (NASDAQ)

Number of Employees:

1984	1,554	1981	1,513
1983	N.A.	1980	1,413
1982	1,771		

Plant Footage:

1984	455,810 sq. ft.	1981	368,000
1983	N.A.	1980	317,300
1982	448,800		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1984	$ 87,595,000	$ 3,700,00
1983	76,342,000	361,000
1982	62,155,000	4,464,000
1981	46,524,000	3,542,000
1980	41,811,000	3,624,000

	No. of Com. Shares ‡	Earn. per Share ‡
1984	5,732,037	$ 0.65
1983	5,710,645	0.06
1982	5,704,674	0.78
1981	5,704,674	0.62
1980	4,494,858	0.81

+ Of continuing operations only.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	50%	—
1982	—	50%	—
1981	—	—	—
1980	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 40,368,000	$ 7.04
1983	36,509,000	6.39
1982	35,664,000	6.25
1981	31,200,000	5.47
1980	27,658,000	6.15

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Oct. 31	1984	1983
Net sales	$ 87,595,000	$ 76,342,000
Cost of sales	51,456,000	45,045,000
Expenses	28,930,000	21,996,000
Interest expense	1,235,000	618,000
Interest income	(189,000)	(205,000)
Write-down of other assets	1,500,000	—
Other expense (income)	197,000	(101,000)
Income before taxes	$ 4,466,000	$ 8,989,000
Income taxes	1,223,000	3,526,000
Inc.-cont. oper.	$ 3,243,000	$ 5,463,000
Income (loss)-discont. oper.	457,000	(5,102,000)
Net Income	$ 3,700,000	$ 361,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,291,000 in 1984 and $4,048,000 in 1983.

Assets

As of Oct. 31	1984	1983
Cash	$ 1,227,000	$ 2,152,000
Accts. receiv., net	16,463,000	13,140,000
*Inventories	20,447,000	15,656,000
Prepaid income taxes	2,520,000	4,857,000
Current Assets	$ 40,657,000	$ 35,805,000
#Fixed assets	23,386,000	21,566,000
Other assets	2,244,000	3,223,000
Total Assets	$ 66,287,000	$ 60,594,000

Liabilities

	1984	1983
Long-term debt, curr.	$ 1,175,000	$ 511,000
Accts. payable	3,855,000	3,744,000
Accruals	5,910,000	10,381,000
Curr. Liabilities	$ 10,940,000	$ 14,636,000
Deferred inc. taxes	2,306,000	3,166,000
Long-term debt	12,673,000	6,283,000
+ Common stock	1,148,000	1,146,000
Add. paid-in-capital	18,863,000	18,706,000
Retained earnings	20,357,000	16,657,000
Total Liabilities & Shareholders' Equity	$ 66,287,000	$ 60,594,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.20 par value.

Statistical Summary

	1984	1983
% Net Income to Equity	9.17	0.99
Sales to Inventories	4.28	4.88
Working Capital	$29,717,000	$21,169,000
Current Ratio	3.72	2.45
Shareholders' Equity	$40,368,000	$36,509,000

Mangood Corporation

676 North St. Clair
Chicago, Illinois 60611
(312) 943-3900

Officers: Marvin B. Levine, president; John L. Westermann, III, v.p.-finance & treasurer; Norman Hammer, secretary.

Directors: Alexander Anagnos, Bernard E. Brandes, Helmut N. Friedlaender, Samuel Hoffman, Marvin B. Levine, Anthony A. Sirna, III, John L. Westermann, III.

Areas of Work: Produces electronic weighing systems for commerce and industry, in motion weighers, electronic process control and measurement systems, strain gauge load cells and related transducers, traffic counters and detectors, warning lights, emergency vehicle lights, and industrial and scientific counting systems.

Divisions and Subsidiaries:

Streeter Richardson Division
680 Van Houten Avenue
Clifton, New Jersey 07015

Streetar Richardson Division
155 Wicks Street
Grayslake, Illinois 60030

Mangood Corporation
676 N. St. Clair
Chicago, Illinois 60611

Mangood Limited (U.K.)
Polo Field Estates
Panteg, Pontypool
Gwent NP4 5YP
Wales, United Kingdom

Railweight Limited
Amside Road, Bestwood
Nottingham, NG5 5HD, England

Mangood International, Inc.
Howe Richardson Corp.
680 Van Houten Avenue
Clifton, New Jersey 07015

Howe Richardson, Inc.
217 Brunswick Boulevard
Pointe Claire, Quebec H9R 4R7 Canada

Chronos Richardson GmbH
Frankfurter Strasse 89-95
D-5205 Hennef 1, West Germany

Chronos Richardson SA
2/4 Avenue de la Cerisaie
Platane 306
F 94266 Fresnes Cedex, France

Chronos Richardson SA
Viale delle Industrie 11/3
1-20020 Arese, Milano, Italy

Chronos Richardson Ltd.
Arnside Road, Bestwood
Nottingham, NG5 5HD, England

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

The Chase Manhattan Bank, N.A.
One Chase Manhattan Plaza
New York, New York 10015

Stock Exchange(s): American

Ticker Symbol: MAB

Number of Employees:

1985	1,120

Plant Footage:

1985	660,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 60,618,000	$ (4,801,000)
1984	64,048,000	(1,397,000)
1983	17,417,000	530,000
1982	18,427,000	511,000
1981	18,741,000	525,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	628,748	$ —
1984	628,748	—
1983	628,748	0.84
1982	628,000	0.81
1981	652,000	0.80

(Loss)
+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ (1,297,000)	$ —
1984	2,872,000	4.57
1983	4,771,000	7.59
1982	4,329,000	6.89
1981	3,949,000	6.06

(Deficiency)
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 60,618,000	$ 64,048,000
Cost of sales	42,936,000	45,256,000
Expenses	19,486,000	18,150,000
Interest expense	2,743,000	2,437,000
Loss before taxes	$ (4,547,000)	$ (1,795,000)
Income taxes (credit)	254,000	(398,000)
Net Loss	$ (4,801,000)	$ (1,397,000)

* Included in Costs and Expenses, Depreciation and Amortization: $629,000 in 1985 and $758,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,791,000	$ 261,000
Receiv., net	14,371,000	12,114,000
*Inventories	17,636,000	15,145,000
Prepaid expenses	965,000	1,048,000
Current Assets	$ 34,763,000	$ 28,568,000
#Fixed assets	4,787,000	4,784,000
Other assets	1,482,000	1,376,000
Total Assets	$ 41,032,000	$ 34,728,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 18,967,000	$ 2,910,000
Accts. payable	7,347,000	5,411,000
Accruals	8,192,000	6,434,000
Income taxes	84,000	107,000
Notes payable	317,000	757,000
Curr. Liabilities	$ 34,907,000	$ 15,619,000
Long-term debt	4,298,000	14,282,000
Othr liabilities.	3,124,000	1,910,000
+Common stock	7,000	7,000
Add. paid-in capital	2,783,000	2,583,000
Retained earnings (deficit)	(3,167,000)	1,634,000
Cum. trans. adj.	(289,000)	(721,000)
Treasury stock	(631,000)	(631,000)
Total Liabilities & Shareholders' Equity	$ 41,032,000	$ 34,728,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value in 1984; No par value in 1983.

Statistical Summary

	1985	1984
Sales to Inventories	3.44	4.23
Debt to Equity	—	—
Working Capital	—	$12,949,000
Current Ratio	—	1.83
Shareholders' Equity (Deficiency)	(1,297,000)	$ 2,872,000

Marantz Company, Inc.

(Formerly Superscope, Inc.)

20525 Nordhoff Street
Chatsworth, California 91311
(818) 998-9333

Officers: Joseph S. Tushinsky, chairman of the board & chief executive officer; Fred C. Tushinsky, president, chief operating officer & secretary; William Morris, sr. v.p.-finance & administration, chief financial officer, treasurer & asst. secretary; Richard J. Jordan, v.p.-product development; Harvey A. Schneider, sr. v.p.-marketing & sales; Sam N. Rosenzweig, v.p.-sales; Walter W. Wood, v.p.-operatons.

Directors: Joseph Tushinsky, Fred C. Tushinsky, Richard D. Rosenblatt, Laurence M. Weinberg, William H. Molle, Ernest W. Silvertooth, William Morris, Richard Lyon.

Areas of Work: Engaged in the design, distribution and sale of consumer audio and video home entertainment products and systems under "Marantz" trademarks. These products include cassette tape recorders, stereo high fidelity components, loudspeakers, automobile stereos, television monitors, video cassette recorders and accessories. Other products include electronic piano reproducing systems sold under the Pianocorder or Marantz trademarks and prerecorded cassettes sold in combination with picture books of educational material under the Tele-Story trademark.

Divisions:

Tele-Story Division
  Markets cassettes and books of children's stories.

Pianocorder Division
  Electronic piano reproducing systems.

Subsidiaries:

Marantz Piano Company, Inc.
Superscope Tape Duplicating Products, Inc.

both at:

20525 Nordhoff Street
Chatsworth, California 91311

Marantz Canada, Ltd.
Mississauga, Ontario
Canada

Transfer Agent(s):

Bank of America NT & SA
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): New York, Pacific

Ticker Symbol: MTZ

Number of Employees:

1985	161	1982	285
1984	275	1981	561
1983	311		

Plant Footage:

1985	205,000 sq. ft.	1982	444,000
1984	163,000	1981	413,000
1983	254,000		

Sales and Earnings

	Net Sales +	Net Income‡
1985	$ 49,962,000	$ (1,571,000)
1984	44,047,000	(138,000)
1983	33,873,000	10,305,000
1982	40,886,000	(11,520,000)
1981	48,429,000	(5,240,000)

	No. of Com. Shares †	Earn. per Share†‡
1985	2,308,000	$ —
1984	2,308,000	—
1983	2,308,000	4.47
1982	2,308,000	—
1981	2,308,000	—

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of shares outstanding.
‡ Including extraordinary gain of $11,420,000 ($4.95 per share) in 1983.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 14,917,000	$ 6.46
1984	16,488,000	7.14
1983	16,626,000	7.20
1982	6,321,000	2.74
1981	17,841,000	7.73

+ Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 49,962	$ 44,047
Cost of sales	34,525	29,103
Expenses	15,907	15,242
Prov. for doubt. accts.	633	719
Interest expense	948	868
Interest income	(234)	(219)
Other income	(725)	(1,044)
Loss before taxes	$ (1,092)	$ (622)
Tax credit	—	(1,444)
Income (loss) from cont. oper.	$ (1,092)	$ 822
Loss from discont. oper.	(479)	(960)
Net Loss	$ (1,571)	$ (138)

* Included in Costs and Expenses, Depreciation and Amortization: $352,000 in 1985 and $576,000 in 1984.

Marantz Company, Inc.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 98	$ 1,185
Accts. receiv., net	17,493	9,071
*Inventories	13,849	10,177
Prepaid expenses	588	385
Current Assets	$ 32,028	$ 20,818
#Fixed assets	744	891
Other assets	2,010	2,640
Total Assets	$ 34,782	$ 24,349

Liabilities
(000's)

Notes payable	$ 11,563	$ 1,855
Long-term debt, curr.	65	110
Accts. payable	6,046	3,615
Accruals	1,862	1,829
Income taxes	114	66
Curr. Liabilities	$ 19,650	$ 7,475
Long-term debt	32	146
Est. liability for warr. costs	183	240
+ Common stock	2,308	2,308
Add paid-in capital	10,956	10,956
Retained earnings	1,653	3,224
Total Liabilities & Shareholders' Equity	$ 34,782	$ 24,349

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

Sales to Inventories	3.61	4.33
Debt to Equity	0.78	0.13
Working Capital	$12,378,000	$14,375,000
Current Ratio	1.63	2.92
Shareholders' Equity	$14,917,000	$16,488,000

Marshall Industries

9674 Telstar Avenue
El Monte, California 91731
(818) 442-7204

Officers: Gordon S. Marshall, chairman of the board, president, chief executive & chief operating officer; William J. Smith, v.p.-sales; George J. Tarnawsky, v.p.-marketing; Peter B. Heric, v.p.-management information systems; Carl R. Sittman, v.p.-facilities; David O. Zertuche, v.p.-finance, chief financial officer and secretary.

Directors: Gordon S. Marshall, chairman; Ralph W. James, Mason Phelps, Donald Royce, Jr., Raymond G. Rinehart, William G. Bone, Lathrop Hoffman.

Areas of Work: Engaged in the distribution of electronic components, wire termination devices, production supplies, hand tools, and assembly work station equipment to the electronics industry. Also performs assembly and wire stripping operations.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 2097, Terminal Annex
Los Angeles, California 90054

Stock Exchange(s): New York

Ticker Symbol: MI

Number of Employees:

1985	1,112	1982	682
1984	1,008	1981	689
1983	700		

Plant Footage:

1985	573,000 sq. ft.	1983	165,000
1984	165,000		

Sales and Earnings

	Net Sales	Net Income †
1985	$ 265,278,000	$ 5,718,000
1984	245,591,000	10,467,000
1983	130,364,000	1,518,000
1982	117,999,000	(949,000)
1981	105,663,000	(1,550,000)

	No. of Com. Shares #	Earn. per Share #†
1985	3,673,000	$ 1.56
1984	3,395,000	3.08
1983	2,542,000	0.60
1982	2,461,000	—
1981	2,452,000	—

(Loss)
† Including extraordinary gain of $146,000 ($0.06 per share) in 1983.
#Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	5%	—
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 51,568,000	$ 14.04
1984	45,503,000	13.40
1983	12,196,000	4.80
1982	10,522,000	4.28
1981	11,434,000	4.66

# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year Ended May 31	1985	1984
Net sales	$ 265,278,000	$ 245,591,000
Cost of sales	198,137,000	182,337,000
Expenses	51,453,000	39,145,000
Interest expense	4,281,000	2,639,000
Income before taxes	$ 11,407,000	$ 21,470,000
Income taxes	5,689,000	11,003,000
Net Income	$ 5,718,000	$ 10,467,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,262,000 in 1985 and $591,000 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 3,089,000	$ 889,000
Investments	3,565,000	—
Receiv., net	32,427,000	43,448,000
*Inventories	53,927,000	54,422,000
Prepaid expenses	286,000	363,000
Current Assets	$ 93,294,000	$ 99,122,000
#Fixed assets	16,982,000	10,001,000
Other assets	325,000	—
Total Assets	$ 110,601,000	$ 109,123,000

Liabilities

Long-term debt, curr.	$ 1,415,000	$ 2,280,000
Accts. payable	9,086,000	26,247,000
Accruals	3,788,000	3,394,000
Income taxes	758,000	1,952,000
Deferred income taxes	2,841,000	1,575,000
Curr. Liabilities	$ 17,888,000	$ 35,448,000
Long-term debt	41,145,000	28,172,000
+ Common stock	3,740,000	3,704,000
Add. paid-in capital	31,538,000	31,294,000
Retained earnings (deficit)	16,290,000	10,505,000
Total Liabilities & Shareholders' Equity	$ 110,601,000	$ 109,123,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.30	8.74
%Net Income to Sales	2.16	4.26
%Net Income to Equity	11.09	23.00
Sales to Inventories	4.92	4.51
Debt to Equity	0.83	0.67
Working Capital	$75,406,000	$63,674,000
Current Ratio	5.22	2.80
Shareholders' Equity	$51,568,000	$45,503,000

Martin Marietta Corporation

6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Officers: Thomas G. Pownall, chairman of the board & chief exec. officer; Norman R. Agustine, president & chief operating officer; Melvin A. McCubbin, v.p. & chief financial officer; Frank H. Menaker, Jr., v.p. & general counsel; Caleb B. Hurtt, David C. Dressler, J. Peter Dunston, Bobby F. Leonard, Dan A. Peterson, Peter B. Teets, A. Thomas Young, Richard J. Walters, Philip H. Sendel, Marcus Bennett, Robert J. Polutchko, v.p.'s; Janice K. Henry, secretary; Robert W. Powell, Jr., treasurer.

Directors: John J. Byrne*, A. James Clark*, James L. Everett, III, Frank M. Ewing*, Melvin R. Laird*, Griffin B. Bell*, Frank X. Bradley, Thomas G. Pownall*, J. Donald Rauth*, David C. Scott, Laurence J. Adams*, Edward L. Hennessy, Jr., Laurence J. Farley, John K. McKinley, John W. Vessey, Jr.

* Member of the Executive Committee.

Areas of Work: The Company's operations are divided into three segments: Aerospace, Data Systems, and Materials. The Aerospace segment, itself, is composed of three sub-divisions: Space and strategic systems which consist mainly of launch vehicles, spacecraft and instruments, major systems integration, and certain command, control, communications, and intelligence systems. The electronics and tactical systems subdivision is involved in the development and production of missile systems, precision guided projectiles, and air defense target acquisition and designation, navigation, and communications control systems. Aero-smechanical systems programs include missile launching systems, jet engine fan reversers, air-frame component manufacturing and assembly, and combat systems development, engineering, production and integration.

The Data Systems segment provides computing services, computer software, information systems management, and consulting services to government and commercial customers and manages the Company's internal computer operations.

The Materials segment consists of aggregates operations principally engaged in quarrying, processing, and selling crushed stone and gravel — primarily for highway and general construction and railroad ballast — and magnesia specialties operations, which quarry, process, and sell refractory materials used in steel production, chemical processing, and other industrial applications.

Divisions and Subsidiaries:

Martin Marietta Aerospace
6801 Rockledge Drive
Bethesda, Maryland 20817
(301) 897-6000

Martin Marietta Information & Communications Systems

Martin Marietta Data Systems
Bethesda, Maryland

Martin Marietta Aggregates
Raleigh, North Carolina

Martin Marietta Magnesia Specialties
Hunt Valley, Maryland

Martin Marietta Energy Systems, Inc.
Oak Ridge, Tennessee

Martin Marietta Ordnance Systems, Inc.
Bethesda, Maryland

Martin Marietta Laboratories
Baltimore, Maryland

Martin Marietta Environmental Systems
Columbia, Maryland

Transfer Agent(s):

Maryland National Bank
225 North Calvert Street
Baltimore, Maryland 21203

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Pacific, Midwest, Philadelphia, London

Ticker Symbol: ML

Number of Employees:

1985	66,000	1982	40,900
1984	61,000	1981	41,200
1983	42,800		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 4,410,064	$ 249,392
1984	3,920,400	(191,764)
1983	3,228,061	141,331
1982	3,033,082	91,642
1981	2,679,715	200,072

	No. of Com. Shares #	Earn. per Share #
1985	56,619,040	$ 4.36
1984	52,319,480	—
1983	46,254,220	2.82
1982	70,645,252	1.30
1981	83,473,780	2.39

(Loss)
+ Of continuing operations only
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Aerospace:		
Space & strategic syst.	$ 2,010,900	$ 1,910,500
Electronics & Tactical syst.	1,452,200	1,052,200
Aero-mechan. syst.	343,900	310,000
Basic Prods.	333,000	428,900
Data Systems	429,900	361,600
Corporate	31,400	17,400
Intersegment	(191,200)	(160,200)
Total	$ 4,410,100	$ 3,920,400

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$0.973	—	3-for-2
1984	0.893	—	—
1983	0.863	—	3-for-2
1982	0.853	—	—
1981	0.80	—	3-for-2

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 707,957,000	$ 12.50
1984	511,113,000‡	9.77
1983	730,356,000‡	15.79
1982	321,560,000‡	4.55
1981	1,199,977,000	14.38

# Based on the average number of shares outstanding adjusted to reflect stock splits.
‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 4,410,064	$ 3,920,400
Cost of sales & expenses	4,116,358	3,634,082
Oper. profit	$ 293,706	$ 286,318
Other income	160,290	54,833
Total	$ 453,996	$ 341,151
Interest expense	35,704	32,237
Income before taxes	$ 418,292	$ 308,914
Income taxes	168,900	132,900
Inc.-cont. oper.	$ 249,392	$ 176,014
Loss-discont. oper.	—	(367,778)
Net Income (Loss)	$ 249,392	$ (191,764)

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $132,039,000 in 1985 and $113,634,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & marketable securities	$ 138,165	$ 30,255
Accts. & notes receiv., net	459,810	283,676
*Inventories	317,694	270,539
Assets of discont. oper.	14,499	70,440
Other curr. assets	38,801	196,978
Current Assets	$ 968,969	$ 851,888
Assets of discont. oper.	—	89,798
Investments	246,515	160,219
#Fixed assets	949,336	807,770
Other assets	70,391	287,422
Intangibles	22,858	27,223
Total Assets	$ 2,258,069	$ 2,224,320

Liabilities
(000's)

	1985	1984
Short-term debt	$ —	$ 100,000
Long-term debt, curr.	26,541	1,649
Accts. payable & accruals	329,759	303,585
Accrued payroll	237,997	207,817
Income taxes	176,730	191,134
Curr. Liabilities	$ 771,027	$ 804,185
Long-term debt	220,413	347,081
Other liabilities	93,175	80,045
Deferred inc. taxes	465,497	366,896
+ Preferred stock	—	115,000
+ + Common stock	109,404	69,492
Add. paid-in capital	687,381	572,637
Retained earnings	1,036,993	882,410
Treasury stock	(1,125,821)	(1,013,426)
Total Liabilities & Shareholders' Equity	$ 2,258,069	$ 2,224,320

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation, depletion and amortization.
+ No par value
+ + $1 par value

Statistical Summary

%Income bef. Taxes to Sales	9.48	—
%Net Income to Sales	5.66	—
%Net Income to Equity	35.23	—
Sales to Inventories	13.88	14.49
Debt to Equity	0.35	0.72
Working Capital	$197,942,000	$ 47,703,000
Current Ratio	1.26	1.06
Shareholders' Equity	$707,957,000	$626,113,000

Materials Research Corporation

Route 303
Orangeburg, New York 10962
(914) 359-4200

Officers: Sheldon Weinig, chairman & president; Garrett E. Pierce, sr. v.p.-finance & treasurer; Nancy M. Jakobs, Walter Schnabel, Jacques Vidart, Lennard Wharton, v.p.'s; Herbert Stoller, secretary.

Directors: Sheldon Weinig, Herbert Stoller, Joseph C. Abeles, Luther H. Hodges, Jr., Edward E. David, Jr., Robert E. Davis, Garrett E. Pierce.

Areas of Work: Supplies high purity metals, ceramics, sputtering and etching equipment to the electronics and telecommunications industries.

Divisions:

Advanced Materials Division
Refines and fabricates high purity metals and alloys into the forms required for industrial thin-film application.

Hybrid Products Division
Manufactures highest purity ceramic substrates for such hybrid circuit applications as microwaves and telecommunications.

Process Equipment Division
Designs, develops and manufactures thin film deposition and etching equipment (sputtering equipment).

Subsidiaries:

MRC (Benelux) B.V.
Laren, The Netherlands

Materials Research, Ltd.
Penn, United Kingdom

Materials Research GmbH
Munich, West Germany

Materials Research, S.A.
Toulouse, France

Materials Research Sr.l
Milan, Italy

MRC Export Corporation

Nihon MRC Company, Ltd.
Tokyo, Japan

Transfer Agent(s):

Marine Midland Bank, N.A.
250 Park Avenue
New York, New York 10017

Stock Exchange(s): American

Ticker Symbol: MTL

Number of Employees:

1985	1,014	1982	717
1984	989	1981	642
1983	787		

Plant Footage:

1985	417,800 sq. ft.	1982	276,500
1984	298,300	1981	263,000
1983	298,300		

Sales and Earnings

	Net Sales	Net Income
1985*	$ 104,321,000	$ 2,560,000
1984	96,559,000	3,781,000
1983	62,031,000	(3,284,000)
1982	60,109,000	728,000
1981	71,628,000	2,346,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985*	4,059,000	$ 0.63
1984	4,051,000	0.93
1983	3,808,000	—
1982	3,463,000	0.21
1981	3,442,000	0.68

(Loss)
* 53 weeks.
‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985*	$0.120	—	—
1984	0.120	—	—
1983	0.120	—	—
1982	0.120	—	—
1981	0.113	-	4-for-3

* 53 weeks
+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985*	$ 40,992,000	$ 10.09
1984	37,649,000	9.29
1983	34,766,000	8.59
1982	25,567,000	7.38
1981	26,006,000	7.56

* 53 weeks
+ Adjusted to reflect stock split.

Income Account *

Year ended	11/2/85	10/27/84
Net sales	$ 104,321,000	$ 96,559,000
Cost of sales	70,976,000	64,845,000
Expenses	18,646,000	16,752,000
Development exp.	9,839,000	7,509,000
Interest expense	1,854,000	1,240,000
Other expense	4,000	15,000
Income before taxes	$ 3,002,000	$ 6,198,000
Income tax	442,000	2,417,000
Net Income	$ 2,560,000	$ 3,781,000

* Included in Costs and Expenses, Depreciation: $3,427,000 in 1985 and $2,540,000 in 1984.

Assets

As of	11/2/85	10/27/84
Cash	$ 570,000	$ 396,000
Receiv., net	21,203,000	23,089,000
*Inventories	24,255,000	20,674,000
Prepaid expenses & other assets	3,441,000	3,316,000
Current Assets	$ 49,469,000	$ 47,475,000
#Fixed assets	27,072,000	17,394,000
Other assets	1,689,000	769,000
Total Assets	$ 78,230,000	$ 65,638,000

Liabilities

Notes payable	$ 4,062,000	$ 1,557,000
Long-term debt, curr.	702,000	599,000
Accts. payable	9,846,000	14,345,000
Curr. Liabilities	$ 14,610,000	$ 16,501,000
Long-term debt	18,725,000	9,102,000
Deferred inc. taxes	2,980,000	1,637,000
Other liabilities	923,000	749,000
+ Common stock	4,061,000	4,051,000
Add. paid-in capital	21,673,000	21,568,000
Retained earnings	15,540,000	13,466,000
Cum. trans. adj.	(282,000)	(1,436,000)
Total Liabilities & Shareholders' Equity	$ 78,230,000	$ 65,638,000

* At lower of average cost or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

%Income bef. Taxes to Sales	2.88	6.42
%Net Income to Sales	2.45	3.92
%Net Income to Equity	6.25	10.04
Sales to Inventories	4.30	4.67
Debt to Equity	0.47	0.26
Working Capital	$34,859,000	$30,974,000
Current Ratio	3.39	2.88
Shareholders' Equity	$40,992,000	$37,649,000

McDonnell Douglas Corporation

P.O. Box 516
St. Louis, Missouri 63166
(314) 232-0232

Officers: Sanford N. McDonnell, chairman of the board & chief executive officer; John F. McDonnell, president; Denver D. Clark, corp. v.p.-eastern region; Robert C. Little, corporate v.p. & aerospace group exec.; Robert L. Johnson, corp. v.p. & aerospace group exec.; Gerald J. Meyer, corp. v.p.-communications; James S. McDonnell, III, corp. v.p.-aerospace marketing; James H. MacDonald, corp. v.p.-human resources; Jerry G. Brown, corp. v.p.-finance; David C. Arnold, corp. v.p.-productivity; Walter E. Diggs, Jr., corporate secretary; John T. Sant, corp. v.p.-general counsel; John W. Chase, corporate treasurer; Charles Conrad, Jr., corp. v.p.; James T. McMillan, president-McDonnell Douglas Finance Corporation; William P. Browmn, president-McDonnell Douglas Helicopter Company; Paul W. Wiedenmann, corp. v.p.-ISG Finance; Robert A. Fischer, corp. v.p.-ISG executive officer; McDonnell Aircraft Company officers: Donald Malvern, president; William S. Ross, exec. v.p.; Alvin L. Boyd, sr. v.p.; Douglas Aircraft Company officers: James E. Worsham, president; William T. Gross, exec. v.p.; McDonnell Douglas Astronautics Company: John F. Yardly, president; Erwin F. Branahl, exec. v.p.; C. James Dorrenbacher, v.p. & general manager-Huntington Beach.

Directors: Sanford N. McDonnell*, chairman of the board; George H. Capps, William H. Danforth, Robert L. Johnson, Donald S. Macdonald, Donald W. Douglas, Jr., George S. Graff*, Edwin S. Jones*, Robert C. Little, John F. McDonnell*, William R. Orthwein, Jr.* James S. McDonnell, III, Michael N. Chetkovich, B.A. Bridgewater, Jr., Jerry McAfee, Julian B. Goodman, William A. McDonnell.

* Member of the Executive Committee.

Areas of Work: Energy systems; military and commercial aircraft, space vehicles and missiles; electronic systems; data processing services.

Divisions and Subsidiaries:

McDonnell Douglas Finance Corporation (Subsidiary)
3855 Lakewood
Long Beach, California 90846
(213) 593-1722

Vitek Systems Inc. (Subsidiary)
595 Anglum Drive
Hazelwood, Missouri 63042
(314) 232-8444

MDC Realty Company (Subsidiary)
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5941

McDonnell Douglas Canada Ltd. (Subsidiary)
Malton, Ontario, Canada L5P 1B7
(416) 677-4341

McDonnell Douglas International Sales Corp. (Subsidiary)
Box 516
St. Louis, Missouri 63166
(314) 232-0232

McDonnell Douglas Astronautics Company (Division)
St. Louis, Missouri
Titusville, Florida

McDonnell Douglas Aircraft Company (Division)
St. Louis, Missouri

McDonnell Douglas-Tulsa (Division)
2000 North Memorial Drive
Tulsa, Oklahoma 74115
(918) 836-1616

McDonnell Aircraft Company (Division)
Box 516
St. Louis, Missouri 63166
(314) 232-0232

Douglas Aircraft Company (Division)
3855 Lakewood Boulevard
Long Beach, California 90846
(213) 593-5511

McDonnell Douglas Helicopter Company
Mesa, Arizona

Information Systems Group

- McDonnell Douglas Health Systems Company
- McDonnell Douglas Manufacturing & Engineering Systems Company
- McDonnell Douglas Network Systems Company
- McDonnell Douglas Payment Systems Company
- McDonnell Douglas Communications Industry Systems Company
- McDonnell Douglas Computer Systems Company
- McDonnell Douglas Diversified Information Systems Company
- McDonnell Douglas Field Service Company
- McDonnell Douglas Information Processing Company
- McDonnell Douglas Information Systems Internatonal
- McAuto Systems Group Inc. (MSGI)
- Unitax

Transfer Agent(s):

Shareholder Records Department
McDonnell Douglas Corporation
St. Louis, Missouri

Centerre Trust Company of St. Louis
510 Locust Street
St. Louis, Missouri 63101

The Chase Manhattan Bank
One Chase Manhattan Plaza
New York, New York 10015

Stock Exchange(s)*: New York, Pacific, Brussels, Amsterdam.

* Listed and/or traded

Ticker Symbol: MD

Number of Employees:

1985	97,067	1982	72,451
1984	88,391	1981	74,264
1983	74,466		

Plant Footage:

1984	N.A.	1981	28,800,000
1983	30,863,583 sq.ft.	1980	27,900,000
1982	29,900,000		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income
1985	$1,665,800,000	$ 345,700,000
1984	9,861,000,000	325,300,000
1983	8,292,800,000	274,900,000
1982	7,452,200,000	214,700,000
1981	7,501,300,000	176,600,000

	No. of Com Shares	Earn. per Share ‡
1985	40,000,000	$ 8.60
1984	40,000,000	8.10
1983	39,400,000	6.91
1982	38,500,000	5.44
1981	38,500,000	4.44

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Combat aircraft	$ 6,051,300	$ 5,341,200
Transport aircraft	2,695,400	2,041,000

Space systems & missiles	1,658,200	1,415,900
Computer services	1,072,800	864,500
Total sales	$ 11,477,700	$ 9,662,600

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.84	—	—
1984	1.62	—	—
1983	1.42	—	—
1982	1.24	—	—
1981	1.06	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	$ 2,634,600	$ 65.34
1984	2,343,800	58.55
1983	2,067,900	52.39
1982	1,819,600	47.24
1981	1,653,500	42.93

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 11,477,700	$ 9,662,600
Other income	188,100	198,400
Revenues	$ 11,665,800	$ 9,861,000
Cost of sales	9,415,100	7,885,400
Expenses	1,614,300	1,440,000
Interest & debt exp.	95,100	61,900
Income before taxes	$ 541,300	$ 473,700
Income taxes	195,600	148,400
Net Income	$ 345,700	$ 325,300

* Included in Costs and Expenses, Depreciation and Amortization: $312,400,000 in 1985 and $286,400,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term investments	$ 78,700	$ 34,300
Receiv., net	1,266,800	945,600
Inventories & contracts	3,056,000	2,583,600
Prepaid expenses	73,400	26,000
Current Assets	$ 4,474,900	$ 3,599,500
#Fixed assets	1,700,400	1,492,500
Investment	162,300	152,200
Rental equip.	228,000	225,200
Intangibles	416,500	436,200
Other assets	286,300	285,700
Total Assets	$ 7,268,400	$ 6,191,300

Liabilities
(000's)

Notes payable	$ 361,900	$ 601,500
Long-term debt, curr.	31,900	61,100
Accts. payable	968,400	833,100
Accruals	195,200	137,500
Employee compensation	282,800	228,000
Contract adjustments	1,274,800	1,088,900
Income taxes	915,700	856,900
Curr. Liabilities	$ 4,030,700	$ 3,807,000
Long-term debt	603,100	40,500
+ Common stock	40,300	40,000
Add. paid-in capital	405,800	392,800
Retained earnings	2,195,300	1,923,600
Foreign curr. statements	(6,800)	(12,600)
Total Liabilities & Shareholders' Equity	$ 7,268,400	$ 6,191,300

Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Revenues	4.64	4.80
%Net Income to Revenues	2.96	3.30
%Net Income to Equity	13.12	13.88
Debt to Equity	0.24	0.04
Working Capital	$ 444,200,000	—
Current Ratio	1.11	—
Shareholders' Equity	$2,634,600,000	$2,343,800,000

Measurex Corporation

One Results Way
Cupertino, California 95014
(408) 255-1500

Officers: David A. Bossen, president & chief executive officer; John C. Gingerich, exec. v.p.; Fernand Ostiguy, exec. v.p.; Jerome Raffel, sr. v.p.-operations; Robert McAdams, Jr., sr. v.p.-finance & administration; Doris S. Bossen, v.p.-corp. communications; Laslo Dudas, v.p.-Canada; Harry Biehl, v.p.-systems operations; Erik J. Hallman, v.p. & managing director, Measurex Europe Paper; Thomas A. King, v.p.-engineering; Lance M. Lissner, v.p.-Pacific; William H. Moore, John J. Burke, Eduard C. Richter, John P. Fabri, v.p.'s; K.L. Lukanovich, v.p.-Millwide Systems Europe; Phillip E. Peterson, v.p.-personnel; John G. Preston, v.p. & managing director-Europe; Glenn R. Wienkoop, president-Measurex Automation Systems; James E. Harper, president-MDDC; Harish S. Rao, v.p.-engineering, MAS; Dean A. Forseth, v.p.-marketing; Fred R. Bierbrauer, treasurer; Carl A. Thomsen, v.p. & controller; John W. Larson, secretary.

Directors: Graham Tyson, Paul Bancroft, III, Dwight C. Baum, Orion L. Hoch, David A. Bossen, John W. Larson, John W. McKittrick.

Areas of Work: Develops, manufactures and markets automatic control systems (high-accuracy proprietary sensors linked to digital computers). Product line provides materials control, through output control, energy control and quality control for manufacturers in the continuous process industries.

Subsidiaries:

Measurex (Ireland) Ltd.
Industrial Estate
Waterford, Ireland

Measurex (Ireland), Ltd.
Mahon Industrial Estate
Cork, Ireland

Measurex Japan Ltd.
2-11 Higashi-kojiya 6-chome
Ohta-ku, Toyko 144
Japan

Measurex Automatic Systems (MAS)
Cupertino, California

Management Decisions Development Corp. (MDDC)
Fairfield, Ohio

MDDC Systems, Ltee.
Montreal, Canada

Transfer Agent(s):

Bank of America, N.T. & S.A.
San Francisco, California

Stock Exchange(s): New York, Pacific

Ticker Symbol: MX

Number of Employees:

1985	2,630	1982	2,050
1984	2,300	1981	2,193
1983	2,050		

Sales and Earnings

	Operating Revenues	Net Income ‡
1985	$ 176,614,000	$ 17,720,000
1984	160,268,000	14,424,000
1983	122,705,000	4,795,000
1982	118,145,000	(350,000)
1981	119,702,000	2,101,000

	No. of Com. Shares #	Earn. per Share #‡
1985	9,170,000	$ 1.93
1984	8,721,000	1.65
1983	7,352,000	0.65
1982	7,092,000	—
1981	7,048,000	0.30

(Loss)
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
‡ Including extraordinary credit of $1,661,000 ($0.19 per share) in 1984 and $1,035,000 ($0.15 per share) in 1982.

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$0.24	—	—
1984	0.20	—	—
1983	—	—	2-for-1
1982	0.19	—	—
1981	0.25	—	—

# Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 128,670,000	$ 14.03
1984	110,460,000	12.67
1983	81,412,000	11.07
1982	75,318,000	10.62
1981	76,570,000	10.86

# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended	12/1/85	12/2/84
Oper. revenues	$ 176,614	$ 160,268
Cost of sales, rentals & serv.	98,700	91,329
Expenses	40,188	37,714
New prod. devel. costs	14,502	13,211
Interest expense	777	1,325
Other income	(7,588)	(6,949)
Gain on sale	—	(2,304)
Income before taxes	$ 30,035	$ 25,942
Income taxes	12,315	13,179
Net Income	$ 17,720	$ 12,763
Extraordinary credit	—	1,661
Net Income & extraordinary credit	$ 17,720	$ 14,424

* Included in Costs and Expenses, Depreciation and Amortization: $3,650,000 in 1985 and $2,913,000 in 1984.

Assets
(000's)

	12/1/85	12/2/84
Cash	$ 71,202	$ 55,532
Accts. receiv., net	35,150	33,041
*Inventories	28,787	29,293
Prepaid expenses	4,067	4,650
Current Assets	$ 139,206	$ 122,516
Lease contracts receiv.	9,062	9,280
Investments	4,417	3,756
Serv. parts	8,069	8,420
#Fixed assets	27,376	23,359
Other assets	4,939	5,308
Total Assets	$ 193,069	$ 172,639

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 565	$ 514
Accts. payable	4,789	6,033

Measurex Corporation

Accruals	33,449	31,167
Income taxes	1,741	7,196
Curr. Liabilities	$ 40,544	$ 44,910
Long-term debt	6,176	6,466
Deferred inc. taxes	17,679	10,803
+ Common stock	90	88
Add. paid-in capital	60,634	58,534
Retained earnings	73,136	57,552
For. curr. trans. adj.	(5,190)	(5,714)
Total Liabilities & Shareholders' Equity	$ 193,069	$ 172,639

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Oper. Rev.	17.01	16.19
%Net Income to Oper. Rev.	10.03	7.96
%Net Income to Equity	13.77	11.55
Debt to Equity	0.05	0.06
Working Capital	$ 98,662,000	$ 77,606,000
Current Ratio	3.43	2.73
Shareholders' Equity •	$128,670,000	$110,460,000

Mechanical Technology Incorporated

968 Albany-Shaker Road
Latham, New York 12210
(518) 785-2211

Officers: Harry Apkarian, chairman & chief executive officer; Richard Schmidt, president & chief operating officer; John Recupero, treasurer; V.B. Boghosian, secretary.

Directors: Harry Apkarian*, chairman; Beno Sternlicht, V.B. Boghosian, H. Kaye Kerr, Charles Janjikian*, Wayne B. Lyon*, Richard G. Mosteller*, Felix J. Ponzek, Alfred S. Howes, Iwan Akerman.

* Member of the Executive Committee.

Areas of Work: Operates in four different areas — Research & Development provides problem-solving research, development and prototype manufacturing services in mechanical engineering, electrical engineering, measurement science, and energy technology. Energy Systems develops, manufactures, and sells steam turbines and waste energy recovery systems. Quality Assurance Equipment and Instrumentation produces high accuracy inspection systems, shock and vibration testing systems, and coordinate measuring machines. Metal Fabrications manufactures decorative trim, stampings, and hardware, primarily for the auto industry.

Divisions:

Research & Development Division
Latham, New York
Malta, New York
Arlington, Virginia

Stirling Engine Systems Division
Latham, New York

Instruments Division
Latham, New York

L.A.B. Division
P.O. Box G
Skaneateles, New York 13152
(315) 685-5781

Subsidiaries:

Ling Electronics
4890 East LaPalma Avenue
Anaheim, California 92806

Turbonetics Energy Inc.
Malta, New York

St. Clair Metal Products Company
1721 Dove Street
Port Huron, Michigan 04860
(313) 984-5123

Transfer Agent(s):

Mechanical Technology Incorporated
968 Albany-Shaker Road
Latham, New York 12110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTIX (NASDAQ)

Number of Employees:

1985	823	1983	822
1984	871		

Plant Footage:

1985	260,000 sq. ft.	1983	310,000
1984	310,000		

Sales and Earnings

	Revenues +	Net Income
1985	$ 60,134,000	$ 1,325,000
1984	54,402,000	79,000
1983	49,884,000	(5,070,000)
1982	44,910,000	22,000
1981	39,746,000	3,048,000

	No. of Com. Shares	Earn. per Share #
1985	3,516,268	$ 0.38
1984	3,516,268	0.03
1983	2,816,268	—
1982	2,815,068	0.01
1981	2,782,248	1.04

(Loss)
+ Of continuing operations only.
Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 21,0[illegible],000	$ 5.97
1984	19,681,000	5.60
1983	14,702,000	5.22
1982	19,767,000	7.02
1981	19,968,000	7.18

Income Account *

Year ended Sept. 30	1985	1984
Sales	$ 60,134,000	$ 54,402,000
Cost of sales	43,725,000	40,166,000
Expenses	11,703,000	10,230,000
Prod. develop. costs	1,584,000	1,359,000
Oper. profit (loss)	$ 3,122,000	$ 2,647,000
Interest expense	1,017,000	1,057,000
Other income	(570,000)	(137,000)
Income bef. taxes	$ 2,675,000	$ 1,727,000
Income taxes	1,350,000	665,000
Inc. from cont. oper.	$ 1,325,000	$ 1,062,000
Loss from discont. oper.		(954,000)
Loss on disposal of Acoustic Emission Technology		(29,000)
Net Income (Loss)	$ 1,325,000	$ 79,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,743,000 in 1985 and $1,662,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash & cert. of dep.	$ 2,146,000	$ 258,000
Refundable income taxes	1,117,000	1,106,000
Receiv., net	12,978,000	11,179,000
*Inventories	7,278,000	6,485,000
Assets of discont. oper.	—	3,610,000
Prepaid expenses	326,000	705,000
Current Assets	$ 23,845,000	$ 23,343,000
#Fixed assets	8,901,000	9,270,000
Other assets	3,075,000	3,800,000
Total Assets	$ 35,821,000	$ 36,413,000

Liabilities

Notes payable	$ —	$ 4,857,000
Long-term debt & cap. leases, curr.	1,115,000	2,795,000
Accts. payable	3,512,000	3,110,000
Accrued & other liabilities	4,092,000	3,269,000
Curr. Liabilities	$ 8,719,000	$ 14,031,000
Long-term debt & cap. leases	3,423,000	312,000
Deferred federal income taxes	976,000	780,000
Minority interest	1,697,000	1,609,000
+ Common stock	3,516,000	3,516,000
Add. paid in capital	12,995,000	12,995,000
Retained earnings	4,495,000	3,170,000
Total Liabilities & Shareholders' Equity	$ 35,821,000	$ 36,413,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.45	—
%Net Income to Sales	2.20	—
%Net Income to Equity	6.31	0.40
Sales to Inventories	8.26	8.39
Debt to Equity	0.22	0.40
Working Capital	$15,126,000	$ 9,312,000
Current Ratio	2.73	1.66
Shareholders' Equity	$21,006,000	$19,681,000

Medtronic, Inc.

7000 Central Avenue
Minneapolis, Minnesota 55432
(612) 574-4000

Officers: Earl E. Bakken, sr. chairman of the board; Dale R. Olseth, chairman of the board; Winston R. Wallis, president & chief executive officer; Donald R. Stone, sr. v.p., product assurance & regulatory affairs; R.J. Dittrich, v.p., secretary & general counsel; Richard L. Fast, v.p.-components group; Gerard C. Planchon, exec. v.p.-international group; John P. Pfouts, v.p., chief financial officer & treasurer; Richard F. Sauter, v.p.-ventures; John A. Meslow, v.p.-neuro/rehab; Michael J. Boris, asst. treasurer; Richard W. Nunn, asst. treasurer; William E. Drake, asst. secretary; Franklin R. Rick, controller.

Directors: Earl E. Bakken, Thomas E. Holloran, Gerald W. Simonson, Richard L. Schall, Dale R. Olseth, Winston R. Wallin, Jr., Richard E. Horner, F. Caleb Blodgett, Richard A. Swalin, Glen D. Nelson, Vernon H. Heath.

Areas of Work: Designs, manufactures and markets cardiac pacemakers and other cardiovascular, neurological and rehabilitative medical devices, patient monitoring & follow-up services, prosthetic heart valves and nuclear and ultra-sound imaging software.

Divisions and Subsidiaries:

Applied Concepts Research Division

Promeon Division
6700 Shingle Creek Parkway
Brooklyn Center, Minnesota 55430
Markets unique polymer technology as gels for electrodes.

Andover Medical, Incorporated
Manufactures disposable electrodes and cable systems.

Micro-Rel Division
2343 W. 10th Place
Tempe, Arizona 85283
(602) 968-6411
Markets custom integrated circuits for high-technology instrumentation.

Medtronic Fabrication
Zone Industrielle Sud
Route d'Anor
59610 Fourmies, France

New England Research Center Division
45 William Street
Wellesley, Massachusetts

Medtronic Physiological Research Laboratories
1500 Northdale Boulevard
Coon Rapids, Minnesota 55433

Medtronic Biomedical Pty. Ltd.
Suite 8
409 King George's Road
Beverly Hills
2209 N.S.W.
Australia

Medtronic do Brasil Ltda
Avenida Tambore 1433
Alphaville,
06400 Barueri
Sao Paulo, Brazil

Medtronic of Canada Ltd
6733 Kitimat Rd
Mississauga, Ontario L5N 1W3
Canada
(416) 826-6020

Meditronic B.V.
Wenckebachstraat, 10
6466 Kerkrade-West
The Netherlands

Cardiocare Division
425 East 61st Street
New York, New York 10021
Provides heart rate monitoring both in person and through a telephone testing service.

Med Rel, Inc.
P.O. Box 8687
Humacao, Puerto Rico 00661

Medtronic Puerto Rico, Inc.
P.O. Box M
Villalba, Puerto Rico 00766

Neuro Division
Manufactures implantable spinal cord simulators to relieve chronic pain.

Ventures Technology
Assesses market and technological potential of new ideas.

Medtronic Blood Systems, Inc.

Acquisition(s):

Tascon Medical Technology, Inc.
Irvine, California
Has designed tissue valves intended to provide ease of use and safety at initial implant, and easier and faster replacement.

Xenotech Laboratories, Inc.
Manufactures the INTACT tissue valve, with its maximum ability to handle stress and pressure within the heart; the INTACT valve is marketed in foreign countries.

Vitatron, N.V.
Pacemaker manufacturer.

Biotec Technologie Biomediche
Pacemaker manufacturer.

Todd Medical Inc.
Neurological product distributor.

Transfer Agent(s):

Norwest Trust Company of New York
New York, New York

Norwest National Bank of Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): New York

Ticker Symbol: MDT

Number of Employees:

1985	4,945	1982	4,856
1984	5,219	1981	4,950
1983	5,065		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 378,764,000	$ 38,155,000
1984	403,770,000	59,123,000
1983	370,136,000	54,149,000
1982	330,460,000	47,851,000
1981	303,735,000	41,874,000

	No. of Com. Shares #	Earn. per Share #
1985	15,403,000	$ 2.48
1984	16,263,000	3.64
1983	16,209,000	3.34
1982	16,090,000	2.97
1981	15,934,000	2.63

+ Includes commissions.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.76	—	—
1984	0.72	—	—
1983	0.64	—	—
1982	0.56	—	—
1981	0.48	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 328,553,000	$ 21.76
1984	335,414,000	20.69
1983	291,800,000	17.94
1982	245,500,000	15.19
1981	204,500,000	12.67

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended April 30	1985	1984
Net sales & commissions	$ 378,764	$ 403,770
Cost of sales	142,587	146,002
Expenses	197,573	185,540
Interest expense	3,642	3,054
Interest income	(12,939)	(10,711)
Income before taxes	$ 47,901	$ 79,885
Income taxes	1,098	19,381
Inc. - cont. oper.	$ 46,803	$ 60,304
Loss - discont. oper.	(8,648)	(1,381)
Net Income	$ 38,155	$ 59,123

* Included in costs and Expenses, Depreciation and Amortization: $25,508,000 in 1985 and $21,720,000 in 1984.

Assets
(000's)

As of April 30	1985	1984
Cash & temp. invest.	$ 137,075	$ 116,478
Accts. receiv., net	92,462	96,236
*Inventories	79,259	77,105
Prepaid expenses	10,362	6,730
Prepaid inc. taxes	2,699	4,098
Current Assets	$ 321,857	$ 300,647
Assets of discont. oper.	8,322	17,835
Market. securities	16,103	16,541
#Fixed assets	110,962	109,371
Other assets	9,300	12,005
Total Assets	$ 466,544	$ 456,399

Liabilities
(000's)

Short-term borrowings	$ 32,154	$ 18,185
Accts. payable	21,062	24,493
Accrued payroll	19,932	17,583
Accruals	22,925	18,058
Income taxes	5,096	4,802
Curr. Liabilities	$ 101,169	$ 83,121
Long-term debt	9,680	11,649
Product warranties	13,871	13,111
Deferred inc. taxes	13,271	13,104
+Common stock	1,510	1,621
Add paid-in capital	19,658	50,613
Retained earnings	315,172	288,650
Cum. trans. adjust.	(7,787)	(5,470)
Total Liabilities & Shareholders' Equity	$ 466,544	$ 456,399

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Net Income to Equity	11.61	17.63
Sales to Inventories	4.78	5.24
Debt to Equity	0.13	0.09
Working Capital	$220,688,000	$217,526,000
Current Ratio	3.18	3.62
Shareholders' Equity	$328,553,000	$335,414,000

Megadata Corporation

35 Orville Drive
Bohemia, New York 11716
(516) 589-6800

Officers: Y. N. Bachana, chairman of the board, president & chief exec. officer; John R. Keller, exec. v.p. & secretary; Biagio Inzerillo, v.p.-programming.

Directors: Yitzhak N. Bachana, chairman, John R. Keller, Biagio Inzerillo, Richard R. Schilling, Jr., Ronald S. Goldstein, Paul Alessandrini.

Areas of Work: Designs and assembles intelligent video display computer terminals and develops the related software, tailored to serve the specific business applications of its customers. The products are marketed for use in systems related to international monetary transfers for commercial banks; ground communications for airlines; text editing for news wire services and newspapers; data collection for telephone facilities, word processing systems for general office use; inventory control for large retail chains; and the monitoring of process controls for certain industries.

Subsidiaries:

MEGADATA Computer International, Inc.
TSD Display Products, Inc.
35 Orville Drive
Bohemia, New York 11716
(516) 589-6800

TSD Display Products, Inc.
302 Legget Drive
Kanata, Ontario K2K 1Y5
Canada
Develops, manufactures and markets touch screen digitizers, display monitors, and welded wire frames.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MDTA (NASDAQ)

Number of Employees:

1985	110	1984	127

Plant Footage:

1985	36,000 sq. ft.	1984	36,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 12,384,453	$ 886,237
1984	15,045,405	1,552,725
1983	11,627,703	934,876
1982	9,227,072	710,010
1981	9,026,937	626,764

	No. of Com. Shares +	Earn. per Share #
1985	2,296,727	$ 0.39
1984	2,303,100	0.67
1983	2,303,100	0.41
1982	2,303,100	0.31
1981	2,285,680	0.29

+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 7,503,910	$ 3.27
1984	6,885,736	2.99
1983	5,333,011	2.32
1982	4,398,135	1.91
1981	3,688,125	1.61

Adjusted to reflect stock split.

Income Account *

Year ended Oct. 31	1985	1984
Net sales	$ 12,384,453	$ 15,045,405
Cost of sales	9,080,492	10,120,318
Expenses	1,793,997	2,121,093
Interest income	(90,330)	(49,540)
Interest expense	7,057	40,809
Income before taxes	$ 1,593,237	$ 2,812,725
Income taxes	707,000	1,260,000
Net Income	$ 886,237	$ 1,552,725

* Included in Costs and Expenses, Depreciation and Amortization: $681,828 in 1985 and $548,531 in 1984.

Assets

As of October 31	1985	1984
Cash	$ 2,826,751	$ 943,668
Accts. receiv., net	1,359,714	1,870,753
*Inventories	2,18,057	3,586,007
Prepaid expenses	68,478	119,717
Current Assets	$ 6,973,000	$ 6,520,145
#Fixed assets	1,703,083	2,063,501
Other assets	25,114	11,452
Total Assets	$ 8,701,197	$ 8,595,098

Liabilities

Accts. payable	$ 525,032	$ 873,113
Accruals	538,395	655,540
Income taxes	—	48,401
Curr. Liabilities	$ 1,063,427	$ 1,577,054
Deferred inc. taxes	133,860	132,308
+ Common stock	23,031	23,031
Add. paid-in capital	1,883,731	1,883,731
Retained earnings	5,865,211	4,978,974
Treasury stock	(268,063)	—
Total Liabilities & Shareholders' Equity	$ 8,701,197	$ 8,595,098

* At lower of cost (FIFO) or market (replacement cost).
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.86	18.69
%Net Income to Sales	7.16	10.32
%Net Income to Equity	11.81	22.55
Sales to Inventories	1.56	4.20
Working Capital	$5,909,573	$4,943,091
Current Ratio	6.56	4.13
Shareholders' Equity	$7,503,910	$6,885,736

Metex Corporation

970 New Durham Road
P.O. Box 4020
Edison, New Jersey 08818-4020

Officers: Albert H. Cohen, chairman of the board & president; Mason N. Carter, exec. v.p.; Robert E. Schaffhauser, v.p.-finance; Frank S. Tamberelli, treasurer; Walter J. Dlugolecki, controller; Lyonel E. Zunz, secretary.

Directors: Albert H. Cohen, chairman; Jon Blauner, Marvin Eiseman, Walter F. Gips, Jr., William S. Hack, Samuel Lieben, Robert G. Malech, Anthony J. Petrocelli, C. Orvis Sowerwine, Lyonel E. Zunz.

Areas of Work: The Company's operations are divided into two principal operating units: Dorne & Margolin, Inc. and the Technical Products Division. The Dorne & Margolin business unit designs, manufactures and markets electronic rescue equipment and antenna systems for aircraft and ground-based operations. The Technical Products business unit designs, manufactures and markets gaskets, seals, filters, silencers, mufflers, and shock and vibration isolators, all of which must function in adverse environments. This unit also supplies engineered transformers to the heavy motor and maritime industries.

Divisions and Subsidiaries:

Dorne & Margolin, Inc.
Bohemia, New York

Technical Products Division
Edison, New Jersey

Acquisition(s):

Field Electronics, Inc.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: MTX

Number of Employees:

1985	475

Sales and Earnings

	Net Sales	Net Income
1985	$ 29,437,000	$ 2,030,000
1984	28,247,000	1,649,000
1983	14,874,000	1,136,000
1982	12,265,000	32,000
1981	14,629,000	351,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,343,491	$ 1.51
1984	1,300,960	1.27
1983	1,248,534	0.91
1982	N.A.	0.03
1981	N.A.	0.27

N.A. – Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	3-for-2
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	$0.13	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 17,436,000	$ 12.98
1984	15,343,000	11.79
1983	13,158,000	10.54
1982	12,022,000	—
1981	11,902,000	—

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended	12/28/85	12/29/84
Net sales	$ 29,436,991	$ 28,247,370
Cost of sales	22,149,006	20,375,342
Expenses	4,795,322	5,148,995
Other expense (income)	(453,105)	258,405
Income before taxes	$ 2,945,768	$ 2,464,628
Income taxes	916,000	816,000
Net Income	$ 2,029,768	$ 1,648,628

* Included in Costs and Expenses, Depreciation and Amortization: $1,233,810 in 1985 and $1,282,832 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	$ 116,366	$ 167,303
Marketable securities	1,411,813	1,946,144
Accts. receiv., net	6,627,261	5,399,986
*Inventories	5,564,067	5,344,403
Land & bldg. held for sale	1,006,576	929,576
Prepaid expenses	126,240	126,728
Current Assets	$ 14,852,323	$ 13,914,140
Assets pledged as collateral	3,524,053	3,643,750
#Fixed assets	7,484,357	6,989,080
Notes receivable	829,656	1,654,686
Other assets	682,501	454,614
Intangibles	326,025	—
Total Assets	$ 27,698,915	$ 26,656,270

Liabilities

Long-term debt, curr.	$ 54,844	$ 1,007,008
Mortgage note payable	290,844	316,852
Accts. payable	2,557,814	1,702,425
Accruals	1,881,877	2,214,239
Income taxes	296,955	1,103,850
Deferred income taxes	241,000	201,000
Curr. Liabilities	$ 5,323,334	$ 6,545,374
Long-term debt	3,645,492	3,682,686
Deferred inc. taxes	1,294,000	1,085,000
+ Common stock	338,445	224,237
Add. paid-in capital	800,695	851,792
Retained earnings	16,490,549	14,460,781
Treasury stock	(193,600)	(193,600)
Total Liabilities & Shareholders' Equity	$ 27,698,915	$ 26,656,270

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.01	8.73
%Net Income to Sales	6.90	5.84
%Net Income to Equity	11.64	10.75
Sales to Inventories	5.29	5.29
Debt to Equity	0.23	0.33
Working Capital	$ 9,528,989	$ 7,368,766
Current Ratio	2.79	2.13
Shareholders' Equity	$17,436,089	$15,343,210

Methode Electronics, Inc.

7444 West Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600

Officers: William J. McGinley, president; William T. Jensen, executive vice president; Kevin Hayes, v.p. & treasurer; Robert C. Keck, secretary; Dennis L. Stalzer, exec. v.p.; Michael G. Andre, exec. v.p.

Directors: William J. McGinley, William T. Jensen, George C. Wright, Robert C. Keck, Raymond J. Roberts, William C. Croft, Kevin Hayes, Dennis L. Stalzer, Michael G. Andre

Areas of Work: Develops and manufactures electronic component devices, including printed circuits, connectors, switches, busbars and back-planes, used in the production of equipment such as computers, communication systems and consumer electronic equipment. Produces automated circuit verification test equipment and performs qualification testing and certification of printed circuit boards.

Divisions and Subsidiaries:

Methode Development Corp
7447 W. Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600
Electronic chemicals, materials, process refinement.

Electrical Products Division
7444 W. Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600
Printed circuits.

Methode Electronics, Inc. East
Printed Circuit Division
One Industrial Park, Box M
Willingboro, New Jersey 08046
(609) 871-3500

Methode Electronics, Inc.-Rolling Meadows Division
1700 Hicks Road
Rolling Meadows, Illinois 60008
(312) 392-3500
Power/signal distribution systems, laminar bus bars, back-planes, voltage and ground plane distribution systems.

Connector Division
7447 W. Wilson Avenue
Chicago, Illinois 60656
(312) 867-9600
Connectors-card receptable, rack and panel, punched plate, connector circuit, card panel assemblies and wire panels, plyoduct conductor cables.

Graphic Research Inc.
9334 Mason Avenue
Chatsworth, California 91311
(213) 886-7340
Printed circuits.

Technical Components Company
6633 W. 99th Street
Chicago, Illinois 60415
(312) 735-7363
High voltage leads and harnesses, jacks, and jack panel assemblies.

Carthage Precision Electric Co.
111 Buchanan Street
Carthage, Illinois 62221
(217) 357-3941
Special switches.

Trace Instruments Division
P.W.R., Inc.
9020 Eton Avenue
Canoga Park, California 91304
(213) 341-5593
Electronic testing equipment.

Transfer Agent(s):

Continental Illinois National Bank and
Trust Company of Chicago
Chicago, Illinois

Stock Exchange(s): Over-the-Counter

Ticker Symbol: METH (NASDAQ)

Number of Employees:

1985 ...... 1,500 1984 1,350

Plant Footage:

1985 ...... 415,000 sq. ft. 1984 350,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 82,441,504	$ 5,107,669
1984	66,349,215	3,159,617
1983	53,176,355	2,321,106
1982	45,185,155	1,671,214
1981	44,665,909	848,618

	No. of Com. Shares†	Earn. per Share †
1985	4,630,000	$ 1.10
1984	4,390,000	0.72
1983	3,742,000	0.62
1982	3,420,000	0.48
1981	3,420,000	0.24

† Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.22	—	—
1984	0.22	—	2-for-1
1983	0.215	—	2-for-1
1982	0.20	—	—
1981	0.20	—	—

‡ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1985	$ 27,937,042	$ 5.84
1984	20,532,234	4.65
1983	17,577,801	4.04
1982	10,921,071	3.19
1981	9,611,857	2.81

‡ After allowing for preferred stock at par value of $100 per share.
† Adjusted to reflect stock splits.

Income Account *

Year ended April 30	1985	1984
Net sales	$ 82,441,504	$ 66,349,215
Other income	601,134	587,013
Total Income	$ 83,042,638	$ 66,936,228
Cost of sales	58,047,446	49,562,323
Expenses	14,926,598	11,319,199
Interest expense	660,925	655,089
Income before taxes	$ 9,407,669	$ 5,399,617
Income taxes	4,300,000	2,240,000
Net Income	$ 5,107,669	$ 3,159,617

* Included in Costs and Expenses, Depreciation and Amortization: $2,647,948 in 1985 and $2,076,716 in 1984.

Assets

As of April 30	1985	1984
Cash	$ 4,004,504	$ 3,536,985
Accts. receiv., net	12,095,016	9,462,997
*Inventories	12,381,913	9,248,494
Prepaid expenses	488,221	413,894
Current Assets	$ 28,969,654	$ 22,662,370
#Fixed assets	16,897,750	12,978,842
Other assets	248,834	181,612
Total Assets	$ 46,116,238	$ 35,822,824

Liabilities

Long-term debt, curr.	$ 504,730	$ 484,893
Accts. payable	5,371,719	4,532,566
Accruals	1,470,122	905,494
Accrued payroll	2,586,803	1,957,184
Income taxes	949,771	441,443
Curr. Liabilities	$ 10,883,145	$ 8,321,580
Long-term debt:		
Bank note	3,530,000	3,950,000
Mortgage	1,139,595	704,413
Equip. contract	900,000	920,000
Deferred inc. taxes	430,000	490,000
Def. compensation	1,196,456	804,597
+ Preferred stock	100,000	100,000
+ + Common stock, class A	1,596,615	1,406,278
+ + Common stock, class B	805,885	814,937
Add. paid-in capital	7,406,066	4,759,465
Retained earnings	18,301,850	13,729,960
Treasury stock	(44,206)	(44,206)
Total Liabilities & Shareholders' Equity	$ 46,116,238	$ 35,822,824

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value, Series A, 4% cumulative convertible.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	11.41	8.14
%Net Income to Sales	6.20	4.76
%Net Income to Equity	18.22	15.31
Sales to Inventories	6.66	7.17
Debt to Equity	0.22	0.29
Working Capital	$18,086,509	$14,340,790
Current Ratio	2.66	2.72
Shareholders' Equity	$28,037,042	$20,632,234

Metra Electronics Corporation

660 McDonald Avenue
Brooklyn, New York 11218
(718) 871-4100

Officers: Michael M. Somma, president; William H. Jones, v.p.; Nina Proko, secretary & treasurer.

Directors: Michael M. Somma, William H. Jones, Nina Proko, Gasper Cafiero, Joseph P. Conte.

Areas of Work: Develops, manufactures and markets custom automotive sound installation kits, in-dash stereo tape player kits, solid state relays, power supplies and automobile burglar alarm systems.

Transfer Agent(s):

Chase Manhattan Bank, N.A.
1 New York Plaza
New York, New York 10015

Stock Exchange(s): Over-the-Counter

Plant Footage:

1982 ...... 62,500 sq. ft. 1980 62,500
1981 ...... 62,500 1979 32,500

Sales and Earnings

	Net Sales	Net Income
1984	$ 5,339,236	$ 179,599
1983	3,085,997	(252,032)
1982	3,381,864	(29,379)
1981	3,522,872	(92,291)
1980	4,696,510	(89,422)

	No. of Com. Shares	Earn. per Share †
1984	574,418	$ 0.31
1983	574,418	—
1982	574,418	—
1981	574,418	—
1980	574,418	—

(Loss)
† Based on the number of shares outstanding during each period.

Metra Electronics Corporation

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 2,567,433	$ 4.47
1983	2,387,834	4.16
1982	2,606,578	4.54
1981	2,673,157	4.65
1980	2,763,656	4.81

Income Account *

Year ended March 31	1984	1983
Net sales	$ 5,339,236	$ 3,085,997
Other income	81,119	306,667
Total income	$ 5,420,355	$ 3,392,664
Cost of sales	3,847,035	2,582,241
Expenses	1,379,895	1,061,280
Inc. (loss) bef. taxes	$ 193,425	$ (250,857)
Income taxes	13,826	1,175
Net Income (Loss)	$ 179,599	$ (252,032)

* Included in Costs and Expenses. Depreciation: $195,879 in 1984 and $201,391 in 1983.

Assets

As of March 31	1984	1983
Cash & cash equiv.	$ 415,505	$ 731,860
Accts. receiv., net	483,250	465,415
*Inventories	1,037,358	560,137
Prepaid expenses	33,024	60,357
Refund inc. taxes	—	23,932
Mortg. receiv.	20,329	18,403
Current Assets	$ 1,989,466	$ 1,860,104
#Fixed assets	967,009	1,042,754
Other assets	271,547	294,432
Total Assets	$ 3,228,022	$ 3,197,290

Liabilities

Accts. payable	$ 130,431	$ 223,916
Notes payable	156,094	68,089
Accruals	103,439	131,061
Pension liability	42,000	42,280
Deferred compensation	122,020	97,020
Curr. Liabilities	$ 553,984	$ 562,366
Long-term debt	106,605	247,090
+Common stock	11,488	11,488
Add. paid-in capital	322,084	322,084
Retained earnings	2,281,686	2,102,087
Treasury stock	(47,825)	(47,825)
Total Liabilities & Shareholders' Equity	$ 3,228,022	$ 3,197,290

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.02 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.62	—
%Net Income to Sales	3.36	—
%Net Income to Equity	7.00	—
Sales to Inventories	5.15	5.51
Working Capital	$1,435,482	$1,297,738
Current Ratio	3.39	3.31
Shareholders' Equity	$2,567,433	$2,387,834

Metro Tel Corp.

15 Burke Lane
Syosset, New York 11791
(516) 364-3377

Officers: Venerando J. Indelicato, president, chief executive officer & treasurer; Lloyd Frank, secretary.

Directors: Sheppard Beidler, Venerando J. Indelicato, Lloyd Frank, Michael Michaelson, Leopold Swergold.

Areas of Work: Engaged in the manufacture of telephone test and maintenance equipment, telephone subscriber equipment, telephone power supplies and coupling units, chemically-heated soldering irons, and transmission test equipment.

Subsidiaries:

Kenmode Mfg. Co. Inc.
15 Burke Lane
Syosset, New York 11791

Design Development, Inc.
1440 Atteberry Lane
San Jose, California 95131

Transfer Agent(s):

Registrar & Transfer Co.
10 Commerce Drive
Cranford, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTRO (NASDAQ)

Number of Employees:

1985	69	1982	48
1984	N.A.	1981	55
1983	54		

Plant Footage:

1985	30,525 sq. ft.	1982	23,000
1984	N.A.	1981	23,000
1983	23,000		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income †
1985	$ 4,449,980	$ 386,804
1984	4,846,932	422,108
1983	3,834,065	294,312
1982	3,404,070	232,851
1981	3,084,326	209,556

	No. of Com. Shares	Earn. per Share †#
1985	1,838,844	$ 0.22
1984	1,661,199	0.24
1983	1,324,033	0.17
1982	1,324,033	0.13
1981	1,324,033	0.12

† Including extraordinary gain of $17,794 ($0.01 per share) in 1983.
# Based on the weighted average number of shares outstanding adjusted to reflect stock dividend and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.03	—	—
1984	.025	5%	—
1983	.025	—	5-for-4‡
1982	.025	—	—
1981	.025	—	—

‡ Paid on July 29,1983.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 2,454,582	$ 1.33
1984	1,996,188	1.20
1983	1,611,272	1.22
1982	1,350,061	1.02
1981	1,150,311	0.87

† Adjusted to reflect stock split and dividend.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 4,449,980	$ 4,846,932
Cost of sales	2,776,746	3,066,655
Expenses	951,764	942,855
Interest expense	69,666	77,402
Income before taxes	$ 651,804	$ 760,020
Income taxes	265,000	337,912
Net Income	$ 386,804	$ 422,108

* Included in Cost and Expenses, Depreciation and Amortization: $76,557 in 1985 and $56,678 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 500,842	$ 367,473
Accts. receiv., net	878,124	919,797
*Inventories	1,728,467	1,448,797
Prepaid expenses	103,040	28,138
Current Assets	$ 3,210,473	$ 2,764,205
#Fixed assets	877,715	144,919
Other assets	1,287,354	370,080
Total Assets	$ 5,375,542	$ 3,279,204

Liabilities

Long-term debt, curr	$ 211,215	$ 137,375
Accts. payable	189,039	411,515
Accruals	427,568	164,279
Income taxes	75,451	116,133
Curr. Liabilities	$ 903,273	$ 829,302
Long-term debt	1,987,876	414,265
Deferred income taxes	29,811	39,449
+ Common stock	45,971	41,530
Add. paid-in capital	1,195,512	704,551
Retained earnings	1,213,099	1,250,107
Total Liabilities & Shareholders' Equity	$ 5,375,542	$ 3,279,204

* At lower of cost (weighted average) or market.
# Less accumulated depreciation and amortization.
+ $0.025 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.65	15.68
%Net Income to Sales	8.69	8.71
%Net Income to Equity	15.76	21.15
Sales to Inventories	2.57	3.35
Debt to Equity	0.90	0.28
Working Capital	$2,307,200	$1,934,903
Current Ratio	3.55	3.33
Shareholders' Equity	$2,454,582	$1,996,188

MICOM Systems, Inc.

4100 Los Angeles Avenue
Simi Valley, California 93062
(805) 583-8600

Officers: William A. Norred, president & chief executive officer; Roger L. Evans, executive v.p.; Christopher G. Kenber, Ashok K. Ohawan, v.p.'s; Paul J. Severing, v.p.-product planning & technology; Michael E. Barker, v.p.-manufacturing operations; Robert A. Weaver, corp. v.p., finance & administration, chief financial officer & secretary.

Directors: John M. Thornton, chairman; William A. Norred, Roger L. Evans, David M. Goodman, Francis P. Lucier, Thomas F. Stephenson, Sally B. Thornton, Charles P. Waite, Bertram H. Witham.

Areas of Work: The company is a leading producer of microcomputer-based data communications products. MICOM's products enable its customers, primarily minicomputer users, to more economically and efficiently communicate data among computer terminals and computers.

The products are in three major categories: remote communications applications, where data are transmitted primarily over leased telephone lines; local network applications, where terminals and their host computers are located within a building or complex of buildings; and catalog sales of low-cost data communications devices.

Divisions and Subsidiaries:

Black Box Corporation
Mayview Road at Park Drive
Lawrence, Pennsylvania 15055
(412) 746-2910

MICOM-Interlan, Inc
155 Swanson Road
Foxborough, Massachusetts 01719
(617) 263-9929

MICOM-Borer Ltd
Bel Court
15 Cradock Road
Reading, Berkshire RG2 OJT,
United Kingdom (073)

MICOM Caribe, Inc
Vicks Merrell Drive, Lot 10
Cayey, Puerto Rico 00633
(809) 738-4221

MICOM Sales Division

MICOM Technologies Division

Transfer Agent(s):

Security Pacific National Bank
Shareholder Relations Department
P.O. Box 3546, Terminal Annex
Los Angeles, CA 90051

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MICS (NASDAQ)

Number of Employees:

1985	2,155	1983	987
1984	1,847		

Plant Footage:

1985 569,800 sq. ft

Sales and Earnings ×

	Net Sales	Net Income †
1985	193,277,000	$ 25,712,000
1984	139,286,000	20,876,000
1983	86,651,000	12,361,000
1982	57,671,000	7,956,000
1981	36,445,000	4,213,000

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	$ 17,371,000	$ 1.48
1984	17,062,000	1.22
1983	16,061,000	0.77
1982	14,973,000	0.53
1981	12,174,000	0.35

× Restated to include operations of Interlan, Inc., acquired on a pooling of interests basis.
† Including extraordinary gains of $570,000 ($0.03 per share) in 1985 and $60,000 in 1984.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity ×

	Total Equity	Equity Per Share ‡
1985	$ 144,825,000	$ 8.34
1984	117,119,000	6.86
1983	59,137,000	3.68
1982	44,140,000	2.95
1981	8,631,000	0.71

× Restated.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Mar. 31	1985	1984 ‡
Net sales	$ 193,277	$ 139,286
Cost of sales	88,762	60,484
Expenses	70,195	51,073
Interest income	(1,266)	(1,918)
Income before taxes	$ 35,586	$ 29,647
Income taxes	10,444	8,831
Net Income	$ 25,142	$ 20,816
Extraord gain	570	60
Net Income & Extraord. Gain	$ 25,712	$ 20,876

‡ Restated
* Included in Costs and Expenses, Depreciation and Amortization: $6,327,000 in 1985 and $3,887,000 in 1984.

Assets
(000's)

As of Mar. 31	1985	1984 ‡
Cash & cash equiv	$ 15,995	$ 13,759
Accts. receiv., net	42,043	35,256
*Inventories	40,589	30,432
Def. tax benefit	1,997	1,077
Other curr. assets	6,260	5,419
Current Assets	$ 106,884	$ 85,943
Investments	12,675	12,035
#Fixed assets	48,326	37,721
Other assets	5,744	5,053
Total Assets	$ 173,629	$ 140,752

Liabilities
(000's)

	1985	1984 ‡
Notes payable	1,315	1,099
Long-term debt, curr.	529	282
Accts. payable	6,419	9,477
Accruals	2,593	2,699
Accrued payroll	6,487	6,802
Income taxes	3,423	1,429
Curr. Liabilities	$ 20,766	$ 21,788
Long-term debt	6,660	1,362
Deferred inc. taxes	1,378	483
+ Common stock	73,025	70,450
Retained earnings	72,485	48,085
Cum. trans. adjust.	(685)	(603)
Notes receivable - stock issue	—	(813)
Total Liabilities & Shareholders' Equity	$ 173,629	$ 140,752

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1985	1984 ‡
%Income bef. Taxes to Sales	18.41	21.28
%Net Income to Sales	13.01	14.94
%Net Income to Equity	17.36	17.77
Sales to Inventories	4.76	4.58
Debt to Equity	0.06	0.02
Working Capital	$ 86,118,000	$ 64,155,000
Current Ratio	5.15	3.94
Shareholders' Equity	$144,825,000	$117,119,000

Micro Mask, Inc.

695 Vaqueros Avenue
Sunnyvale, California 94086
(408) 245-7342

Officers: Joseph C. Ross, Jr., chairman of the board & president; Robert D. Enochs, v.p.; Arthur W. Launder, sr. v.p. & gen. mgr.-Photolithography Products; Johnny H. Ashcraft, v.p., controller & treasurer; Donald J. Holthaus, v.p. & asst. secretary; Russell W. Weiss, v.p.-marketing; O.W. Bynum, v.p. & gen. mgr.-Tranex Inc.; Daniel Del Rosario, v.p.-& gen. mgr.-EMC Division; Victor A. Hebert, secretary; Carl F. Pompei, v.p. & pres.-Probe Technology Corp.

Directors: Joseph C. Ross, Jr., chairman; Joseph Chulick, Jr., Noel J. Fenton, Gordon E. Moore, Isaac Stein, Bert P. Levin.

Areas of Work: Manufacturer of photomasks and hard surface photoplates required in the design, engineering and production of integrated circuits and semiconductors. Also produces a broad line of custom designed, wire-wound magnetic components for the electronics industry.

Divisions and Subsidiaries:

Micro Mask Division
Sunnyvale, California

Supplier of photomasks for the semiconductor and integrated circuit markets.

EMC Division
Azusa, California

Supplier of hard surface glass photoplates, required for manufacturing hard surface photomasks, used in the production of integrated circuits.

Tranex Inc.
Sunnyvale, Angel's Camp, California, and Colorado Springs, Colorado

Manufactures custom designed products such as transformers, chokes, filters, coils and reactors for various electronic applications. The components are used in test instruments, medical instrumentation, data processing and telecommunications equipment, lasers, computers and terminals.

Acquisition(s):

Probe Technology Corporation
Santa Clara, California

Develops, manufactures and markets high-quality probe cards and related products used to test integrated and hybrid circuits.

Transfer Agent(s):

First National Bank of Boston
Shareholder Services Divison
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MCRO (NASDAQ)

Number of Employees:

1985	440	1982	420
1984	420	1981	440
1983	415		

Plant Footage:

1985	144,000 sq. ft.	1982	150,000
1984	132,000	1981	150,000
1983	150,000		

Sales and Earnings ‡

	Net Sales	Net Income
1985	$ 24,755,000	$ (1,861,000)
1984	29,445,000	1,659,000
1983	27,525,000	1,583,000
1982	24,538,000	1,581,000
1981	21,859,000	1,389,000

	No. of Com. Shares #	Earn. per Share #
1985	2,140,943	$ —
1984	2,128,425	0.78
1983	2,104,166	0.75
1982	1,893,247	0.84
1981	1,862,482	0.75

(Loss)
‡ Restated to include operations of Probe Technology Corporation, acquired on a pooling of interests basis.
# Based on the weighted average number of common shares and, when material, common share equivalents outstanding during the period, adjusted to reflect stock dividend and stock split.

Revenues By Line of Business

	1985	1984
Integrated circuit prods.	$ 20,666,000	$ 24,623,000
Electronic components	4,089,000	4,822,000
Total	$ 24,755,000	$ 29,445,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—

1983	—	10%	—
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity ×

	Total Equity	Equity Per Share ‡
1985	$ 14,968,000	$ 7.00
1984	16,837,000	7.89
1983	14,964,000	7.01
1982	13,602,000	6.87
1981	11,340,000	6.04

× Restated

‡ Adjusted to reflect stock dividend and stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984 ‡
Net sales	$ 24,755	$ 29,445
Cost of sales	22,482	22,128
Expenses	5,493	5,193
Gain on disp. of assets	(197)	—
Interest expense	658	186
Inc. (loss) bef. taxes	$ (3,681)	$ 1,938
Income taxes (credit)	(1,820)	279
Net Income (Loss)	$ (1,861)	$ 1,659

* Included in Costs and Expenses, Depreciation and Amortization: $3,430,000 in 1985 and $2,440,000 in 1984.

‡ Restated.

Assets
(000's)

As of Sept. 30	1985	1984 ‡
Cash	$ 279	$ 357
Accts. receiv., net	3,270	4,587
*Inventories	3,360	3,346
Prepaid expenses	129	64
Refund inc. taxes	1,352	386
Current Assets	$ 8,390	$ 8,740
#Fixed assets	22,525	19,178
Restricted funds	607	—
Deposits & other assets	515	390
Total Assets	$ 32,037	$ 28,308

Liabilities
(000's)

	1985	1984 ‡
Note payable	$ 1,400	$ 200
Long-term debt, curr.	1,855	972
Accts. payable	1,254	1,656
Accrued payroll	475	774
Other curr. liab.	217	291
Curr. Liabilities	$ 5,201	$ 3,893
Long-term debt	9,073	5,855
Cap. lease oblig.	1,625	—
Deferred inc. taxes	1,170	1,723
+ Common stock	2,137	2,135
Add. paid-in capital	3,496	3,489
Retained earnings	9,335	11,213
Total Liabilities & Shareholders' Equity	$ 32,037	$ 28,308

‡ Restated.

* At lower of cost (FIFO) or market.

Less accumulated depreciation and amortization.

+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	—	6.58
%Net Income to Sales	—	5.63
%Net Income to Equity	—	9.85
Sales to Inventories	7.37	8.80
Debt to Equity	0.93	0.42
Working Capital	$ 3,189,000	$ 4,847,000
Current Ratio	1.61	2.25
Shareholders' Equity	$14,968,000	$16,837,000

Microdyne Corporation

P.O. Box 7213
491 Oak Road
Silver Springs Shores Industrial Park
Ocala, Florida 32672
(904) 687-4633

Officers: Louis H. Wolcott, chairman of the board, president & chief executive officer; Donald L. Feller, exec. v.p. & secretary; Michael S. Balbes, Hank S. Lin, v.p.'s; Eugene R. Day, v.p.-finance, treasurer & chief financial officer; R.B. Elsea, v.p.-marketing/Telemetry Products; David L. Alvarez, v.p.-marketing/Satellite Communications.

Directors: Louis H. Wolcott, chairman; Donald L. Feller, Vincent M. Noonan, Michael S. Balbes, Hank S. Lin, Carl H. Cahill, Sean Boland.

Areas of Work: Electronic hardware manufacturer specializing in sophisticated radio receivers and related test equipment. These products are used in satellite communications (data, TV and weather), electronic surveillance systems, specialized ground communications, and in the testing of airplanes, guided missiles, and automobiles.

Divisions and Subsidiaries:

Telemetry Division
P.O. Box 1527
627 Lofstrand Lane
Rockville, Maryland 20850
(301) 762-8500

Antennas for Communications
344 Cypress Road
Silver Springs Shores Industrial Park
Ocala, Florida 32672
(904) 687-4121

Divisions:

Rockville Operations
P.O. Box 1527
627 Lofstrand Lane
Rockville, Maryland 20850
(301) 762-8500

Cumberland Operations
11950 Upper Potomac
Valley Industrial Park
Cumberland, Maryland 21502

Dynavision, Inc.
Satellite master antenna television (SMATV) operations.

Microdyne Satellite Systems, Inc.
Shore Service Station, Inc.

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MCDY (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 27,455,685	$ 558,195
1984	27,974,683	221,837
1983	23,660,667	1,403,043
1982	24,910,854	2,093,467
1981	29,019,263	4,084,867

	No. of Com. Shares	Earn. per Share +
1985	4,557,648	$ 0.12
1984	4,684,648	0.05
1983	4,613,648	0.30
1982	4,588,630	0.45
1981	4,551,480	0.93

+ Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.06	—	—
1984	0.06	—	—
1983	0.06	—	—
1982	0.06	—	—
1981	0.06	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 33,768,032	$ 7.40
1984	33,688,146	7.19
1983	34,287,481	7.39
1982	33,402,121	7.28
1981	31,888,972	7.01

Income Account *

Year ended	11/3/85	10/28/84
Net sales	$ 27,455,685	$ 27,974,683
Cost of sales	20,738,079	21,586,870
Expenses	5,188,313	4,456,186
Interest income	(128,070)	(526,905)
Income before taxes	$ 1,657,363	$ 2,458,532
Income taxes	725,000	1,078,000
Loss in joint venture	374,168	1,158,695
Net Income	$ 558,195	$ 221,837

* Included in Costs and Expenses, Depreciation and Amortization: $1,408,722 in 1985 and $952,063 in 1984.

Assets

As of	11/3/85	10/28/84
Cash	$ 2,220,981	$ 942,930
Marketable securities	78,875	160,891
Accts. receiv., net	9,608,513	11,623,830
*Inventories	13,603,293	12,853,889
Prepaid expenses	53,444	76,362
Income taxes	142,530	1,131,706
Current Assets	$ 25,707,636	$ 26,789,608
#Fixed assets	10,174,486	4,887,576
Other assets	1,429,047	6,734,794
Total assets	$ 37,311,169	$ 38,411,978

Liabilities

	11/3/85	10/28/84
Notes payable	$ 114,235	$ 72,653
Cap. lease oblig., curr.	12,594	12,884
Loans payable	—	1,307,661
Accts. payable	844,165	1,128,600
Accruals	1,546,807	1,238,031
Dividends payable	135,829	136,729
Curr. Liabilities	$ 2,653,630	$ 3,896,558
Long-term debt	513,759	562,526
Deferred tax credit	375,748	264,748
+ Common stock	455,765	468,465
Add. paid-in capital	20,353,618	21,485,512
Investment loss	(186,250)	(150,000)
Retained earnings	13,314,399	13,028,763
Treasury stock	(169,500)	(1,144,594)
Total Liabilities & Shareholders' Equity	$ 37,311,169	$ 38,411,978

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

+ $0.10 par value.

Statistical Summary

	11/3/85	10/28/84
%Income bef. Taxes to Sales	6.03	8.79
%Net Income to Sales	2.03	0.79
%Net Income to Equity	1.65	0.66
Sales to Inventories	2.01	2.18
Debt to Equity	0.01	0.01
Working Capital	$23,054,006	$22,893,050
Current Ratio	9.68	6.88
Shareholders' Equity	$33,768,032	$33,688,146

Micropac Industries, Inc.

905 East Walnut Street
P.O. Box 469017
Garland, Texas 75046
(214) 272-3571

Officers: Nicholas Nadolsky, chairman of the board, president & chief executive officer; Richard T. Schlueter, v.p. & mgr.-hybrid division; John R. Michener, v.p. & mgr.-microwave division; Connie Wood, v.p. & mgr.-optoelectronic division; June Bishop, assistant secretary.

Directors: Luther B. Nicholson, Nicholas Nadolsky, James K. Murphey, H. Kent Hearn, William J. Holt, Woodrow Brownlee.

Areas of Work: Engaged in the design, development, manufacture, and sale of hybrid microcircuits and optoelectronic components, assemblies and microcircuits. The technologies employed by Micropac in the production of hybrid microcircuits include thick film, thin film, solder assembly, chip and wire assembly, custom and standard. The principal markets for the products and services of Micropac are among manufacturers of both analog and digital circuits in military and industrial computers, communications equipment, electronic instrumentation and control equipment and other systems requiring microminiature electronic circuits.

Divisions:

Hybrid Circuits Division

Designs, develops and manufactures custom digital, analog and RF hybrid microcircuits incorporating both thick and thin film hybrid technologies.

Power Products Division

Designs, develops and manufactures both standard and custom hybrid power functions incorporating thick and thin film hybrid technologies.

Optoelectronics Division

Designs, develops and manufactures both standard and custom optoelectronic components, assemblies and optoelectronic/hybrid microcircuits incorporating both thick and thin film hybrid technologies.

Microwave Division

Offers a complete family of voltage controlled oscillator subsystems covering the 10MHz to 15MHz frequency range. VAO subsystems include options for linearization, internally heated, and voltage regulated. These units are used for multi-target simulators, ECM, ECCM, Radar, Microwave Sweep Generators and next-generation equipment applications.

Subsidiary:

Micropac GmbH
Bremen, Germany

Transfer Agent(s):

National Bank of Commerce
Dallas, Texas

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	N.A.	1983	N.A.
1984	157	1982	115

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 9,326,448	$ 559,435
1984	8,082,320	540,232
1983	5,850,828	(322,731)
1982	5,408,489	186,339
1981	6,546,606	441,830

	No. of Com. Shares	Earn. per Share #
1985	5,644,420	$ 0.10
1984	5,644,420	0.10
1983	5,644,420	—
1982	5,644,420	0.03
1981	5,644,420	0.08

(Loss)

# Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 3,963,407	$ 0.70
1984	3,403,972	0.60
1983	2,863,740	0.51
1982	3,186,471	0.56
1981	3,000,132	0.53

Income Account *

Year ended Nov. 30	1985	1984
Net sales	$ 9,326,448	$ 8,082,320
Cost of sales	6,730,202	5,564,891
Expenses	1,512,273	1,513,968
Interest expense	122,592	92,681
Income bef. taxes	$ 961,381	$ 910,780
Income taxes	401,946	370,548
Net Income (Loss)	$ 559,435	$ 540,232

* Included in Costs and Expenses, Depreciation: $397,129 in 1985 and $562,596 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	$ 543,144	$ 440,711
Accts. receiv., net	1,925,927	1,970,901
*Inventories	2,209,394	1,945,947
Prepaid expenses	100,930	77,370
Inc. taxes receiv.	61,111	—
Def. inc. tax benefit	20,985	181,732
Current Assets	$ 4,861,491	$ 4,616,661
#Fixed assets	1,195,341	1,178,589
Total Assets	$ 6,056,832	$ 5,795,250

Liabilities

Notes payable	$ 846,111	$ 67,513
Long-term debt, curr.	58,090	108,746
Accts. payable & accruals	880,674	1,297,289
Inc. taxes payable	—	516,227
Curr. Liabilities	$ 1,784,875	$ 1,989,775
Long-term debt	259,633	317,723
Deferred income taxes	48,917	83,782
+ Common stock	565,212	565,212
Add. paid-in capital	1,380,335	1,380,335
Retained earnings	2,029,310	1,469,873
Treasury stock	(11,450)	(11,450)
Total Liabilities & Shareholders' Equity	$ 6,056,832	$ 5,795,250

* At lower of cost or market. Gold inventories stated at LIFO; all others at FIFO.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.31	11.27
%Net Income to Sales	6.00	6.68
%Net Income to Equity	14.12	15.88
Sales to Inventories	4.22	4.15
Debt to Equity	0.29	0.15
Working Capital	$3,076,616	$2,626,886
Current Ratio	2.72	0.23
Shareholders' Equity	$3,963,407	$3,403,972

Microsemi Conductor Corporation

2830 South Fairview Street
Santa Ana, California 92704
(714) 979-8220

Officers: Richard L. Geiger, chairman of the board & treasurer; Philip Frey, Jr., president & chief exec. officer; Jiri Sandera, v.p.-engineering; Richard R. Sandburg, v.p.-finance & secretary.

Directors: Richard L. Geiger, chairman; Philip Frey, Jr., Lester Kilpatrick, Jiri Sandera, Fred Burns, Brad Davidson, Herman Fialkov.

Areas of Work: Engaged in the production of diodes, rectifiers and other semiconductor products.

Subsidiaries:

Microsemiconductor Ltd.
Hong Kong
Manufacturer of semiconductor products.

Microsemi Corp. - Scottsdale
Scottsdale, Arizona

Microcap, Inc.
San Diego, California
Manufacture of multilayer ceramic capacitors.

Semcon Electronics PVT. Ltd.
Bombay, India

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	1,120	1982	656
1984	1,115	1981	258
1983	890		

Plant Footage:

1985	208,000 sq. ft.	1982	208,000
1984	208,000	1981	53,000
1983	208,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 34,578,000	$ 4,046,000
1984	30,278,000	2,717,000
1983	24,422,000	1,111,000
1982	13,174,000	356,000
1981	7,911,143	434,022

	No. of Com. Shares ‡	Earn. per Share ‡
1985	7,856,000	$ 0.52
1984	7,362,000	0.38
1983	6,854,000	0.17
1982	5,608,000	0.07
1981	4,330,000	0.10

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 17,301,000	$ 2.20
1984	11,573,000	1.57
1983	4,682,000	0.68
1982	3,507,000	0.63
1981	2,865,000‡	0.66

‡ After allowing for preferred stock at par value.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended	9/29/85	9/30/84
Net sales	$ 34,578,000	$ 30,278,000
Cost of sales	22,380,000	21,073,000
Expenses	5,259,000	4,529,000
Loss on sale	107,000	9,000
Interest expense	417,000	509,000
Other income	(329,000)	(34,000)
Income before taxes	$ 6,744,000	$ 4,192,000
Income taxes	2,698,000	1,475,000
Net Income	$ 4,046,000	$ 2,717,000

* Included in Costs and Expenses, Depreciation and Amortization: $ 557,000 in 1985 and $267,000 in 1984.

Microsemi Conductor Corporation

Assets

As of	9/29/85	9/30/84
Cash	$ 586,000	$ 420,000
Accts. receiv., net	5,781,000	5,547,000
*Inventories	10,600,000	9,825,000
Deferred inc. taxes	461,000	356,000
Other curr. assets	845,000	612,000
Current Assets	$ 18,273,000	$ 16,760,000
#Fixed assets	6,549,000	2,082,000
Other assets	4,629,000	333,000
Total Assets	$ 29,451,000	$ 19,175,000

Liabilities

Notes payable	$ 199,000	$ 1,086,000
Long-term debt, curr	54,000	7,000
Accts. payable & accruals	3,968,000	3,780,000
Income taxes	1,100,000	623,000
Curr. Liabilities	$ 5,321,000	$ 5,496,000
Long-term debt	6,458,000	1,747,000
Other liabilities	143,000	—
Deferred credit	228,000	359,000
+ Common stock	1,564,000	1,040,000
Add. paid-in capital	7,228,000	6,041,000
Retained earnings	8,509,000	4,492,000
Total Liabilities & Shareholders' Equity	$ 29,451,000	$ 19,175,000

* At lower of cost (FIFO) or market, Scottsdale, AZ, inventory at LIFO.
# Less accumulated depreciation.
\+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.50	13.85
%Net Income to Sales	11.70	8.97
%Net Income to Equity	23.39	23.48
Sales to Inventories	3.26	3.08
Debt to Equity	0.39	0.25
Working Capital	$12,952,000	$11,264,000
Current Ratio	3.43	3.05
Shareholders' Equity	$17,301,000	$11,573,000

Microwave Filter Company, Inc.

6743 Kinne Street
East Syracuse, New York 13057
(315) 437-3953

Officers: Carson Buck, chairman; Glyn Bostick, president; Emily Bostick, exec. v.p., corp. secretary & director of sales; Alice Berry, v.p. & director of employee development; William P. Johnson, v.p. & director of engineering; Richard L. Jones, v.p. & treasurer.

Directors: Carson Buck, chairman of the board; Glyn Bostick, Emily Bostick, Trudi Berwick Artini, Michael Chiappone, Henry Cramer, Edward Dietrich, Frederick Dix, Carl F. Fahrenkrug, William J. Fraser, Louis Misenti, David Robinson.

Areas of Work: Designs and manufactures microwave components and integrated microwave assemblies and systems for use in electronic communications industries, including cable television, satellite communications, microwave communications (including defense electronics), personal communications (amateur radio), and radio frequency electronics.

Transfer Agent(s):

Microwave Filter Company, Inc
East Syracuse, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MFCO (NASDAQ)

Number of Employees:

1985	118

Sales and Earnings

	Net Sales	Net Income
1985	$ 5,032,572	$ 393,310
1984	4,491,192	381,607
1983	3,649,542	184,593
1982	2,825,609	110,344
1981	2,186,957	213,529

	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,230,977	$ 0.18
1984	2,200,778	0.17
1983	2,212,923	0.08
1982	2,180,369	0.05
1981	2,173,992	0.10

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	1.5%	—
1984	—	2%	—
1983	—	15%	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 1,630,876	$ 0.73
1984	1,197,837	0.54
1983	781,657	0.35
1982	597,064	0.27

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 5,032,572	$ 4,491,192
Cost of sales	2,362,164	2,069,556
Expenses	2,049,566	1,852,085
Rental income	(51,640)	(35,578)
Other income	(18,362)	(18,972)
Interest income	(467)	(909)
Interest expense	65,343	67,767
Income before taxes	$ 625,968	$ 557,243
Income taxes	232,658	175,636
Net Income	$ 393,310	$ 381,607

* Included in Costs and Expenses, Depreciation and Amortization. $140,469 in 1985 and $111,352 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 47,799	$ 80,103
Accts. receiv., net	548,247	509,603
*Inventories	848,539	597,490
Prepaid expenses	82,496	88,786
Current Assets	$ 1,527,081	$ 1,275,982
#Fixed assets	1,402,707	1,287,232
Other assets	53,114	45,518
Total Assets	$ 2,982,902	$ 2,608,732

Liabilities

Notes payable	$ 190,080	$ 238,751
Accts. payable	292,397	243,973
Accrued payroll	143,771	131,013
Accrued inc. taxes	37,055	127,886
Accrued profit sharing	40,000	30,000
Curr. Liabilities	$ 703,303	$ 771,623
Long-term debt	549,714	580,112
Deferred comp	28,829	19,229
Deferred inc. taxes	70,180	39,931
+ Common stock	213,039	208,754
Add. paid-in capital	414,295	272,032
Retained earnings	1,005,582	718,232
Treasury stock	(2,040)	(1,181)
Total Liabilities & Shareholders' Equity	$ 2,982,902	$ 2,608,732

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
\+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.44	12.41
%Net Income to Sales	7.82	8.50
%Net Income to Equity	24.12	31.86
Sales to Inventories	5.93	7.52
Debt to Equity	0.45	0.68
Working Capital	$ 823,778	$ 504,359
Current Ratio	2.17	1.65
Shareholders' Equity	$1,630,876	$1,197,837

Midland-Ross Corporation

20600 Chagrin Boulevard
Cleveland, Ohio 44122
(216) 491-8400

Officers: Harry J. Bolwell, chairman of the board & chief executive officer; Edward C. Gendron, vice-chairman & chief administrative officer; Daniel W. Duval, president & chief operating officer; M.G. Carlson, R.H. Hollinger, Andre Launois, executive v.p.'s; Frank N. Fittipaldi, sr. v.p., general counsel & secretary; James D. Jung, v.p. & treasurer; Donald F. Kimmel, sr. v.p.-international; Judson E. Smith, sr. v.p. & controller; David S. Wasserman, sr. v.p.; David M. Pasco, v.p.-human resources; Kenneth A. Saban, v.p. corp. communications; Ronald H. Rafal, controller.

Directors: Claude M. Blair, Harry J. Bolwell*, Daniel W. Duval, Edward C. Gendron*, Roy H. Holdt, Charles E. Hugel*, James W. Pilz, G.J. Tankersley*, Alton W. Whitehouse Jr.*, Jay A. Pritzker, Robert A. Pritzker.

* Member of the Executive Committee.

Areas of Work: Engaged in the manufacture of a wide range of thermal systems for the steel, metalworking, automotive, petroleum, petrochemical, glass and other industries; electrical products for the commercial, industrial and residential building markets; electronic connectors and other components for the telecommunications, data processing, instrumentation and other markets; aircraft components and systems for the commercial, military and general aviation markets.

Divisions and Subsidiaries:

Thermal Systems Group

Electro-Nite Co.
Philadelphia, Pa., Long Beach, Calif., Houthalen, Belgium; San Paulo, Brazil; Thionville, France; Syndey, Australia.
Expendable sensors and related instruments for metals producers; carbon graphite products.

MOCO Thermal Industries
Romulus, Mich.
Industrial ovens, parts washers and finishing systems for manufacturers of metal products for the electrical, transportation, glass and other industries.

Robotron Division
Southfield and Oak Park, Mich., Windsor, Ontario.
Industrial electronic controls, including resistance welding controls, industrial power electronics and microcomputer-based industrial control systems; induction heating equipment.

Stein Heurtey
Bar-le-Duc, Lautenbach and Saint-Ouen l'Aumone, France; Wombourne, England; Victoria, Australia.
Furnaces, heaters and heat transfer equipment for the oil and petrochemical industries; melting, reheating, heat-treating, heat transfer and coating furnaces for the steel, ferrous and non-ferrous industries; glass furnaces and lehrs; special vacuum and atmosphere furnaces, gas generators, industrial drying and metal finishing plants; industrial burners; combustion and waste treatment equipment.

Surface Combustion Division
Toledo, Ohio

Heat-treating furnaces and supplementary equipment and controls used by the metalworking industries to impart desirable surface characteristics to manufactured metal products. High-temperature industrial furnace equipment and technology for refining, melting, reheating and heat treating in the steel, non-ferrous, carbon and glass industries.

Petro-Chem Development Company
New York, New York

Fired process heaters, heat recovery process units and boilers, combustion air preheat systems and energy conservation systems for the petroleum and petrochemical industries.

Aerospace and Electrical Group

Electronic Connector Division
Cambridge, Mass.; Pittsfield, N.H.; Pompano Beach, Fla.; Nogales, Mexico; Castleton, England

Electronic components, including miniature plug and jack connectors, integrated circuit sockets, terminal and splice connectors, socket panels and card files; insulated, non-insulated and wrap post terminals, spacers and standoffs; coil form inductors, battery holders, handles and panel hardware, thermoelectric modules and instruments.

Electrical Products Division
Pittsburgh, Pa.; Athens, Tenn.

Switch, outlet and floor boxes; conduit and cable fittings, hangers and supports; underfloor and trench header electrical distribution systems; metal framing systems for supporting conduit, cable, lighting and equipment; wiring products including solderless terminals, compression connectors, cable ties, wire marker books, heat-shrink tubing and relating tooling.

Grimes Division
Urbana, Ohio; Greenwood, S.C.

Aircraft navigation, formation and collision avoidance lighting systems, power supplies and controls; crew station displays, caution and warning systems, indicators, control panels and instrument lights, passenger cabin illumination, including emergency and reading lights, information signs, accent lighting and related electronic switching and dimming controls; wind-shield wiper systems; electroluminescent lamps, displays, control panels and signal devices for the aviation, auto, rail and other markets.

Aircraft Products Division
Delray Beach, Fla.

Aircraft galleys and service centers, carts, ovens, beverage makers, coffee makers and water boilers; lavatory water heaters.

Janitrol Aero Division
Columbus, Ohio; Plymouth, Conn.; Ocala, Fla.

Aircraft cabin heating, air-conditioning and pressurization systems, fuel filters, fans and blowers, heat transfer equipment; electronic cooling equipment; hydraulic, fuel and pneumatic valves; motor-operated valves; thermostatic controls and pressure valves, duct joints and supports; swivel extension joints, aircraft heaters, liquid heaters.

Midtex Division
North Mankato, Minn.; Watertown, S.D.; Burlington, Wis.; Seoul, Korea; Juarez, Mexico

Miniature, power, solid state, general purpose, mercury-wetted, industrial and time delay relays for industrial controls, business machines, data processing and communications equipment, commercial electronics and energy management; transformers and couplers for telecommunications, quartz crystals and hybrid clock oscillators for timing references in computer-based electronic controls and instrumentation; DC-DC converters for telephones.

Electripak Consumer Products
Lindenhurst and North Amityville, N.Y.

Weatherproof die-cast switch and outlet boxes, cover plates, outdoor security lighting; outdoor decorative lighting; emergency lighting; multiple power outlet strips, photoelectric switching devices; low voltage lighting.

Russellstoll Division
Livingston and Fairfield, N.J.

Safety interlock receptacles, plugs and connectors, explosion-proof, vaportight and high-intensity discharge lighting fixtures, electrical control devices, marine plugs, receptacles, lighting and controls, trolley and plug-in overhead electrification systems.

Superstrut Division
Oakland, Calif.

Metal framing channel, fittings and hangers for electrical, mechanical, plumbing and refrigeration construction support requirements, seismic restraint systems for power plants and commercial buildings.

Castings Group

Bay City Foundry Co.
Bay City, Mich.

Medium to large-size carbon, low alloy, wear-resistant and stainless steel castings and grey, alloy and ductile iron castings for the automotive industry, steel mills and general industrial use; base and surface plates for dynamometer and stress testing, machine tooling and precision checking.

Capitol Castings Division
Tempe and Chandler, Ariz.

Naco cast alloy steel grinding balls, iron and steel castings for wear-resistant and structural applications.

Transfer Agent(s):

National City Bank
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: MLR

Number of Employees:

1985	9,200	1982	12,900
1984	10,300	1981	13,300
1983	11,600		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 714,586,000	$ 19,461,000
1984	708,041,000	(35,299,000)
1983	619,427,000	(10,177,000)
1982	647,882,000	1,250,000
1981	627,402,000	24,691,000

	No. of Com. Shares	Earn per Share ‡
1985	13,732,000	$ 1.02
1984	12,971,000	—
1983	12,652,000	—
1982	12,138,000	0.10
1981	12,208,000	2.06

(Loss)
+ Of continuing operations only.
‡ Based on the average number of common shares outstanding.

Revenues By Line of Business

	1985	1984
Thermal systems	$ 301,043,000	$ 296,893,000
Electronics/Electrical	239,097,000	257,857,000
Aerospace	174,446,000	153,291,000
Total	$ 714,586,000	$ 708,041,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	1.00	—	—
1983	1.10	—	—
1982	1.40	—	—
1981	1.40	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 201,018,400	$ 14.64
1984	182,890,400	14.10
1983	246,740,000	19.50
1982	265,570,000	21.88
1981	290,631,000	23.81

‡ After allowing for preferred stock at liquidation value.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 714,586	$ 708,041
Other income	19,016	22,982
Total Income	$ 733,602	$ 731,023
Cost of sales	502,326	496,582
Expenses	143,910	152,648
Depreciation & amortization	25,340	24,222
Interest expense	29,105	24,985
Inc. before taxes	$ 32,921	$ 32,586
Income taxes	13,460	11,790
Inc.-cont. oper.	$ 19,461	$ 20,796
Loss-discont. oper.		(56,095)
Net Income (Loss)	$ 19,461	$ (35,299)

Assets
(000's)

As of Dec. 31	1985	1984
Cash & marketable secur.	$ 44,080	$ 72,261
Accts. receiv., net	144,127	137,541
Notes receivable	23,049	6,191
*Inventories	182,821	167,415
Contracts in process	21,611	23,518
Prepaid expenses	7,409	9,608
Current Assets	$ 423,097	$ 416,534
Intangibles & other assets	125,972	105,174
Assets of businesses held for sale	6,480	42,045
#Fixed assets	136,136	134,913
Total Assets	$ 691,685	$ 698,666

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 5,241	$ 4,163
Accounts payable	55,844	57,560
Adv. billings	32,551	35,404
Accruals	23,794	26,120
Dividends payable	4,688	4,857
Income taxes	11,634	13,150
Other liab.	49,723	52,427
Short-term borrowings	25,195	2,100
Curr. Liabilities	$ 208,670	$ 195,781
Long-term debt	149,139	152,902
Other liab.	37,316	53,006
Deferred inc. taxes	8,816	3,361
Notes payable	30,000	30,000
+ Preferred stock:		
Series D	—	24,000
Series E	45,560	45,560
+ + Common stock	68,659	64,855
Add. paid-in capital	33,659	24,672
Retained earnings	123,400	123,259
Translation adjust.	(13,534)	(18,730)
Total Liabilities & Shareholders' Equity	$ 691,685	$ 698,666

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $5 par value.

Statistical Summary

% Income bef. Taxes to Sales	4.61	—
% Net Income to Sales	2.72	—
% Net Income to Equity	7.55	—
Sales to Inventories	3.91	4.23
Debt to Equity	0.60	0.60
Working Capital	$214,427,000	$220,753,000
Current Ratio	2.03	2.13
Shareholders' Equity	$257,744,000	$263,616,000

Milgray Electronics, Inc.

77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-9800

Officers: Herbert S. Davidson, president; Martin Hyman, exec. v.p.; Richard Hyman, v.p.-sales & marketing; Herschel M. Weinberg, secretary; John R. Tortorici, v.p.-finance & treasurer.

Directors: Herbert S. Davidson, Robert G. Davidoff, Martin Hyman, Herschel M. Weinberg.

Areas of Work: Engaged in the distribution of electronic components produced by a large number of manufacturers. Items sold consist principally of semiconductors, electromechanical devices (relays and electronic hardware) and capacitors.

Divisions and Subsidiaries:

Milgray Cleveland, Inc.
6155 Rockside Road
Cleveland, Ohio 44131
(216) 447-1520

Milgray Florida, Inc.
1850 Lee Road, Suite 104
Winter Park, Florida 32789
(305) 647-5747

Milgray/International, Inc.
77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-9800

Milgray/New England
79 Terrace Hall Avenue
Burlington, Massachusetts 01803
(617) 272-6800

Milgray/International Inc.
33 Bond Street
Brighton BN1 IRD Sussex, England

Milgray Electronics GmbH
Heibronner Str. 23
7320 Goeppingen
West Germany

Milgray/Delaware Valley, Inc.
3002 Greentree Executive Campus
Marlton, New Jersey 08053
(609) 983-5010

Milgray/Atlanta
17 Dunwoody Park, Suite 102
Atlanta, Georgia 30338
(404) 393-9666

Milgray/Kansas City, Inc.
6901 West 63rd Street
Overland Park, Kansas 66202
(913) 236-8800

Milgray/New York, Inc.
77 Schmitt Boulevard
Farmingdale, New York 11735
(516) 391-3000

Milgray/Upstate New York
57 Monroe Avenue
Pittsford, New York 14534
(716) 385-9330

Milgray/Washington, Inc.
9801 Broken Land Parkway
Columbia, Maryland 21046
(301) 995-6169

Milgray, Ltd.
77 Schmitt Boulevard
Faringdale, New York 11735
(516) 420-9800

Birnbach Co., Inc.
81 Schmitt Boulevard
Farmingdale, New York 11735
(516) 420-0400

Milgray/Connecticut
378 Boston Post Road
Orange, Connecticut 06477
(203) 795-0711

Milgray/Chicago, Inc.
765 Route 83
Bensenville, Illinois 60106
(312) 350-0490

Milgray/Dallas, Inc.
17060 Dallas Parkway
Dallas, Texas 75248
(214) 248-1603

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
New York, New York 10038

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	280	1983	225
1984	260	1982	201

Plant Footage:

1985	97,000 sq. ft.	1983	80,000
1984	96,310	1982	52,695

Sales and Earnings

	Net Sales	Net Income
1985	$ 57,533,211	$ 616,352
1984	75,496,907	4,180,257
1983	56,275,099	2,088,744
1982	40,727,966	354,039
1981	34,588,393	473,070

	No. of Com. Shares	Earn. per Share
1985	778,690	$ 0.79
1984	778,690	5.37
1983	778,690	2.68
1982	778,690	0.45
1981	778,690	0.61

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 10,571,871	$ 13.58
1984	9,955,519	12.78
1983	5,775,262	7.42
1982	3,686,518	4.73
1981	3,332,479	4.28

Income Account*

Year ended Dec. 31	1985	1984
Net sales	57,533,211	75,496,907
Cost of sales	42,795,515	52,974,410
Expenses	13,294,098	13,719,908
Interest expense	511,496	681,332
Income before taxes	$ 932,102	$ 8,121,257
Income taxes	315,750	3,941,000
Net Income	$ 616,352	$ 4,180,257

* Included in Costs and Expenses, Depreciation and Amortization, $312,295 in 1985 and $270,666 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 844,376	$ 799,851
Accts. receiv., net	6,887,882	8,284,189
*Inventories	13,739,221	12,637,457
Inc. tax refunds receiv.	813,525	—
Prepaid expenses & sundry receiv.	254,830	158,334
Current Assets	$ 22,539,834	$ 21,879,831
#Fixed assets	2,307,799	2,391,207
Other assets	332,460	85,883
Total Assets	$ 25,180,093	$ 24,356,921

Liabilities

Notes payable	$ 1,200,000	$ 1,500,000
Long-term debt, curr.	421,557	98,447
Accts. payable	7,121,414	5,958,789
Accruals & sundry liabilities	1,033,228	1,843,831
Income taxes	—	672,329
Def. income taxes	803,600	—
Curr. Liabilities	$ 10,579,799	$ 10,073,396
Long-term debt	3,906,023	4,328,006
Deferred income taxes payable	122,400	—
+ Common stock	200,003	200,003
Add. paid-in capital	26,675	26,675
Retained earnings	10,395,758	9,779,406
Treasury stock	(50,565)	(50,565)
Total Liabilities & Shareholders' Equity	$ 25,180,093	$ 24,356,921

* At lower of cost (FIFO) or market (replacement cost).
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	1.45	10.76
% Net Income to Sales	1.07	5.54
% Net Income to Equity	5.83	41.99
Sales to Inventories	4.19	5.97
Debt to Equity	0.52	0.60
Working Capital	$11,960,035	$11,806,435
Current Ratio	2.13	2.17
Shareholders' Equity	$10,571,871	$ 9,955,519

Milton Roy Company

Suite 900
One Plaza Place N.E.
P.O. Box 12169
St. Petersburg, Florida 33733
(813) 823-4444

Officers: James F. Healey, chairman of the board; Richard E. Schmidt, president & chief executive officer; H. Rodman Smith, sr. v.p.; C. Edward Liggans, v.p.-administration; John L. West, Stephen G. Matthews, v.p.'s; Jean-Claude Degremont, v.p.-international; John M. McNamara, v.p., secretary & treasurer; Darrell N. Clark, v.p.-human resources; Eileen L. Cole, asst. sec.; J. Ronald Moore, v.p. & controller.

Directors: Robert T. Sheen*, Dan L. McGurk, Edmund H. Damon, Raleigh W. Greene, James F. Healey*, John P. Horgan*, Philip A. Sprague*, John T. Subak*, Robert F. Murphy, Albert R. Snider, Richard E. Schmidt*, Jean-Claude Degremont.

* Member of the Executive Committee.

Divisions and Subsidiaries:

Analytical Instruments Group

Automatic liquid chromatographic detectors, liquid chromatographic accessories, spectrophotomers, laster light scattering instruments, image and color analyzers, diffraction gratings.

Analytical Products
Rochester, New York

Laboratory Data Control Division
Riviera Beach, Florida
(305) 844-5241

LDC-S.A.
Paris, France

Laboratory Data Control (U.K.) Ltd.
Stone, England

Laboratory Data Control-Shannon
Shannon, Ireland

Milton Roy (Deutschland) GmbH
Frankfurt, West Germany

Milton Roy K.K.
Tokyo, Japan

Milton Roy (Belgium) N.V.
Gistel, Belgium

Milton Roy (Hong Kong) Ltd.
Wanchai, Hong Kong

Fluid Control Group

Controlled volume pumps; combustion control equipment; gas analysis instruments; water quality systems; engineered chemical feed systems; special purpose centrifugal pumps.

Hartell Division
Ivyland, Pennsylvania

Flow Control Division
Ivyland, Pennsylvania

Milton Roy Industries, Ltd.
Peterborough, Ontario, Canada

Dosapro-Milton Roy S.A.
Pont-Saint-Pierre, France

DosiSistemas S.A. de C.V. (joint venture)
Mexico City, Mexico

Dosapro-Milton Roy Iberica S.A.
Madrid, Spain

Dosapro-Milton Roy S.P.A.
Milan, Italy

Dosapro-Milton Roy GmbH
Obertshausen, West Germany

Dosapro-Milton Roy (UK) Ltd.
Feltham, England

Specialty Ball Valves Group

Manufactures and markets ball valve components and assemblies used to control the flow of fluids and gases on board U.S. nuclear submarines.

Portland Valve, Inc.
Scarborough, Maine

Transfer Agent(s):

Mellon Bank (East) N.A.
P.O. Box 444
Pittsburgh, Pennsylvania 15230
(215) 585-3400

Stock Exchange(s): New York

Ticker Symbol: MRC

Number of Employees:

1985	1,456	1982	870
1984	1,114	1981	940
1983	853		

Sales and Earnings

	Net Sales †	Net Income
1985	$ 97,887,000	$ 882,000
1984	70,396,000	4,053,000
1983	62,375,000	3,394,000
1982	70,355,000	4,478,000
1981	67,905,000	4,368,000

	No. of Com. Shares ‡	Earn. per Share #
1985	4,199,000	$ 0.22
1984	4,128,000	1.01
1983	4,086,000	0.86
1982	3,826,000	1.19
1981	2,787,000	1.17

† Of continuing operations only; includes services.
‡ Adjusted to reflect stock splits.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Laboratory Analytical Instrumentation	$ 41,350	$ 20,664
Spec. Ball Valves & Components	5,149	7,154
Energy & Environmental Instrumentation	—	3,255
Fluid Control Instrumentation	51,388	39,323
Total	$ 97,887	$ 70,396

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.43	—	—
1984	0.39	—	—
1983	0.35⅓	—	—
1982	0.32½	—	3-for-2
1981	0.24½	—	4-for-3

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 40,024,000	$ 9.53
1984	38,488,000	9.32
1983	36,171,000	8.85
1982	31,677,000	8.28
1981	28,737,000	7.59

‡ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 97,887,000	$ 70,396,000
Cost of sales	57,285,000	38,801,000
Expenses	35,811,000	25,321,000
Gain on dispos. of prod. lines	—	(304,000)
Prov. for prod. reinspec	1,000,000	—
Interest expense	2,762,000	1,440,000
Other income	(111,000)	(1,697,000)
Income before taxes	$ 1,140,000	$ 6,835,000
Income taxes	246,000	3,045,000
Eq. in loss (inc.) of joint ventures	12,000	(263,000)
Net Income	$ 882,000	$ 4,053,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,906,000 in 1985 and $2,375,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 3,592,000	$ 4,852,000
Accounts & notes receiv.	23,703,000	14,777,000
*Inventories	30,204,000	19,144,000
Prepaid expenses	550,000	804,000
Deferred inc. taxes	2,264,000	901,000
Current Assets	$ 60,313,000	$ 40,478,000
#Fixed assets	27,624,000	19,477,000
Project fund	13,152,000	1,089,000
Notes receiv. & other assets	5,481,000	4,314,000
Intangibles	2,418,000	2,434,000
Total Assets	$ 108,988,000	$ 67,792,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 929,000	$ 907,000
Notes payable	6,048,000	2,146,000
Accts. payable & accruals	20,370,000	11,966,000
Income taxes	297,000	1,644,000
Curr. Liabilities	$ 27,644,000	$ 16,663,000
Long-term debt	39,372,000	11,706,000
Deferred inc. taxes	1,355,000	588,000
Other liab.	593,000	347,000
+ Common stock	4,199,000	4,128,000
Add. paid-in capital	7,829,000	6,909,000
Equity adjustment	(2,009,000)	(3,467,000)
Retained earnings	30,005,000	30,918,000
Total Liabilities & Shareholders' Equity	$ 108,988,000	$ 67,792,000

* At lower of cost (FIFO) or market; Portland Valve valued at LIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.90	9.71
%Net Income to Sales	2.20	5.76
%Net Income to Equity	3.24	10.53
Sales to Inventories	0.38	3.68
Debt to Equity	1.16	0.38
Working Capital	$32,669,000	$23,815,000
Current Ratio	2.18	2.43
Shareholders' Equity	$40,024,000	$38,488,000

Mini-Computer Systems, Inc.

5 Corporate Park Drive
White Plains, New York 10604
(914) 694-1101

Officers: Michael W. Brennan, president; Thomas DeLorenzo, Lawrence Howell, v.p.'s; William R. Doniger, chairman & chief financial officer.

Directors: William R. Doniger, chairman of the board; Michael W. Brennan, Michael S. O'Brien.

Areas of Work: Engaged in the development and marketing of minicomputer systems designed to handle normal business applications, primarily to distributors and original equipment manufacturers.

Subsidiaries:

Optim Computer Group (51%-owned)
London, England
Amsterdam, The Netherlands

Distributes computer hardware and software systems and provides extensive maintenance support to business markets.

Mini-Tech Research Corporation

Development of a UNIX-compatible product line.

Acquisition(s):

Poise Inc.
Roswell, New Mexico

Transfer Agent(s):

American Transfer Company
44 Beaver Street
New York, New York 10022

Stock Exchange(s): Pacific

Ticker Symbol: MCS

Number of Employees:

1985	50	1982	97
1984	46	1981	189
1983	30		

Plant Footage:

1985	10,000 sq. ft.	1982	25,000
1984	11,480	1981	68,200
1983	N.A.		

N.A. - Not Available

Sales and Earnings

	Revenues	Net Income †
1985	$ 10,398,714	$ 540,788
1984	6,446,987	(456,215)
1983	6,178,553	594,033
1982	9,258,000	(4,545,191)
1981	15,010,000	(1,891,309)

	No. of Com. Shares +	Earn. per Share + †
1985	5,510,025	$ 0.08
1984	4,386,926	—
1983	2,013,535	0.30
1982	879,607	—
1981	879,607	—

(Loss)
† Including extraordinary gains of $240,000 ($0.04 per share) in 1985, $225,575 in 1984, $246,500 ($0.13 per share) in 1983 and $671,000 in 1982.
+ Based on the weighted average number of shares outstanding.

Mini-Computer Systems, Inc.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ (1,055,620)	$ —
1984	(1,440,078)	—
1983	(2,409,416)	—
1982	(5,561,487)	—
1981	(1,035,167)	—

(Deficiency)

Income Account *

Year ended Oct. 31	1985	1984
Revenues	$ 10,398,714	$ 6,446,987
Cost of sales	4,764,612	3,734,289
Expenses	4,890,928	3,061,030
Reversal of accts. pay	(597,054)	
Interest expense	608,558	260,805
Inc. (loss) bef. taxes	$ 731,670	$ (609,137)
Income taxes	331,882	72,653
Minority interest	99,000	
Net Income (Loss)	$ 300,788	$ (681,790)
Extraord. gain	240,000	225,575
Net Income (Loss) & extraord. gain	$ 540,788	$ (456,215)

* Included in Costs and Expenses, Depreciation and Amortization: $309,674 in 1985 and $152,018 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 196,259	$ 170,610
Receiv., net	1,123,017	857,932
Notes receiv.	36,253	187,768
Loans receiv.	78,729	38,125
*Inventories	2,746,759	301,263
Prepaid expenses	271,403	48,027
Current assets	$ 4,452,420	$ 1,603,725
Goodwill	1,149,050	—
#Fixed assets	675,028	244,373
Notes receiv.	—	108,000
Computer Software Systems	392,162	504,208
Other assets	26,595	61,349
Total Assets	$ 6,695,255	$ 2,521,655

Liabilities

	1985	1984
Conv. debentures	$ —	$ 165,000
Accounts payable	2,439,147	1,400,706
Notes payable	142,500	268,711
Accruals	2,380,183	917,080
Long-term debt, curr.	1,181,250	942,258
Income taxes payable	252,772	135,058
Curr. Liabilities	$ 6,395,852	$ 2,911,733
Conv. senior notes	1,050,000	1,050,000
Convert. deben.	305,023	—
+ Common stock	540,223	528,812
Add paid-in Capital	6,636,266	6,643,477
Retained earnings (deficit)	(7,432,027)	(7,972,815)
Treasury stock	(42,000)	(42,000)
For. trans. adjust	(318,814)	(110,433)
Notes receiv.	(439,268)	(439,268)
Deferred compensation	—	(47,851)
Total Liabilities & Shareholders Equity	$ 6,695,255	$ 2,521,655

* At lower of cost (FIFO) or market.
# Less accumulated depreciation
+ $0.10 par value

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	7.04	—
%Net Income to Sales	2.89	—
Sales to Inventories	3.79	21.40
Shareholders' Equity (Deficiency)	$(1,055,620)	$(1,440,078)

Minnesota Mining and Manufacturing Company

3M Center
St. Paul, Minnesota 55144
(612) 733-1110

Officers: Lewis W. Lehr, chairman of the board & chief executive officer; Allen F. Jacobson, president-U.S. operations; James A. Thwaits, president, international operations & corporate staff services; executive v.p.'s: L.D. DeSimone, Industrial & Consumer Sector; Allan J. Huber, Electronic & Information Technologies Sector; M.J. Monteiro, international operations; Kenneth A. Schoen, Graphic Technologies Sector; Jerry E. Robertson, Life Sciences Sector; Stanley W. Thiele, sr. v.p.-administrative services; v.p.'s & group v.p.'s: Darrell H. Boyd, Commercial Graphics; Richard W. Brust, taxes; William E. Coyne, Health Care Products and Services Group; Charlton Dietz, legal affairs & general counsel; Ralph D. Ebbott, treasurer; Harry A. Hammerly, finance; Douglas R. Hanson, Australia-Asia-Canada; George L. Hegg, Memory Technologies Group; Lester C. Krogh, research & development; Joseph L. Kuhn, Tape, Adhesives and Decorative Products Group; Carl A. Kuhrmeyer, administration; Sidney M. Leahy, Chemicals, Film & Allied Products Group; Ronald A. Mitsch, Traffic and Personal Safety Products Group; Ernest B. Moffet, Jr., Consumer Products Group; Lauren L. Morin, quality & productivity; Donn R. Osmon, marketing and public affairs; Gerard G. Mueller, engineering; Gerald D. Pint, Electro-Telecommunications Group; Howard D. Punch, Abrasives, Cleaning Products & Industrial Minerals Group; Joseph F. Ramey, Commercial Markets Group; Roger W. Roberts, controller; Benjamin L. Shely, Photographic & Graphic Arts Group; Thomas P. Skoog, Information Systems Group; Christopher J. Wheeler, human resources; other officers: Arlo D. Levi, secretary; JoAnn J. Bohne, Raymond E. Johnson, Thomas J. Lyons, James A. Smith, Roger P. Smith, asst. secretaries; Dwight A. Peterson, asst. treasurer.

Directors: Robert M. Adams*, Joseph W. Barr, James H. Binger, Charlton Dietz*, Lewis W. Lehr*, Lee L. Morgan, Allen E. Murray, John G. Ordway, Jr., Norma T. Pace, Peter G. Peterson, J. Alexander McMahon, Allen F. Jacobson*, James A. Thwaits*

* Member of the Executive Committee.

Areas of Work: The Company's operations are organized into four sectors: Electronic & Information Technologies, Industrial & Consumer, Graphic Technologies, and Life Sciences.

Operating Sectors:

Electronic & Information Technologies
Manufactures products for electrical, electronics and telecommunications markets; information storage, output and transfer materials; voice, video and data recording products; a line of supplies for business and educational uses; a line of magnetic recording products.

Electrical Products Division
Electronic Products Division
Engineering Systems Division
Copying Products Division
Magnetic Media Division
TelComm Products Division
Static Control Systems Division
Office Systems Division
Equipment Service and Support Division
Broadcasting & Related Products Divison

Industrial & Consumer
Manufactures pressure sensitive tapes, abrasives, adhesives, specialty chemicals, roofing granules and decorative products.

Automotive Specialties Division
Industrial Abrasives Division
Industrial Mineral Products Division
Building Service and Cleaning Products Division
Commercial Chemicals Division
Household and Hardware Products Division
Automotive Trades Division
Commercial Office Supply Division
Packaging Systems Division
Industrial Specialties Division
Industrial Tape Division
Decorative Products Division
Adhesives, Coatings and Sealers Division
Specialty Chemcial and Film Division
Converter Specialties Division

Graphic Technologies
Provides products and services for the graphic communications and advertising services areas.

Dental Products Division
Health Care Specialties Division
Surgical Products Division
Riker Laboratories, Inc.
Traffic Control Materials Division
Safety and Security Systems Division
Occupational Health and Safety Products Division
Orthopedic Products Division
Advertising Services Division
Media Networks, Inc.
National Advertising Company
Audio Visual Division
Photo Color Systems Division
Imaging Systems Division
Commercial Graphics Division
Graphic Preparation Systems Division
Printing Products Division

Life Sciences
Markets a line of medical, surgical and pharmaceutical products which promote health and safety; a line of traffic-control and crime-deterrent products.

Transfer Agent(s):

First Trust Company, Inc.
(common stock, notes & debentures)
Fifth & Jackson, 3rd Floor
St. Paul, Minnesota 55101

Morgan Guaranty Trust Company
(common stock)
30 West Broadway
New York, New York 10007

Manufacturers Hanover Trust Company
(notes & debentures)
40 Wall Street
New York, New York 10015

Number of Employees:

1985	85,466

Stock Exchange(s): New York, Pacific, Midwest, Paris, Amsterdam, Switzerland, Germany, Tokyo

Ticker Symbol: MMM

Sales and Earnings

	Net Sales ‡ (000's)	Net Income (000's)
1985	$ 7,846,000	$ 664,000
1984	7,705,000	733,000
1983	7,039,000	667,000
1982	6,601,000	631,000
1981	6,508,000	673,000

	No. of Com. Shares	Earn. per Share #
1985	114,572,287	$ 5.77
1984	116,298,365	6.27
1983	117,235,021	5.67
1982	117,890,724	5.37
1981	117,466,821	5.74

‡ Includes other operating revenues.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Industrial & consumer	$ 2,848,000	$ 2,774,000
Electronic & info. technologies	2,266,000	2,364,000
Graphic technologies	1,292,000	1,277,000
Life sciences	1,437,000	1,286,000
Eliminations	3,000	4,000
Total	$ 7,846,000	$ 7,705,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$3.50	—	—
1984	3.40	—	—
1983	3.30	—	—
1982	3.20	—	—
1981	3.00	—	—

Common Stock Equity

		Total Equity (000's)	Equity Per Share
1985	$	4,008,000	$ 34.98
1984		3,814,000	32.79
1983		3,698,000	31.54
1982		3,548,000	29.26
1981		3,449,000	29.36

Income Account *
(000's)

Year ended Dec. 31		1985		1984
Net sales & revenues	$	7,846,000	$	7,705,000
Cost of sales		4,746,000		4,559,000
Expenses		1,950,000		1,860,000
Interest expense		104,000		91,000
Other income		(51,000)		(58,000)
Income before taxes	$	1,097,000	$	1,253,000
Income taxes		433,000		520,000
Net Income	$	664,000	$	733,000

* Included in Costs and Expenses, Depreciation and Amortization: $444,000,000 in 1985 and $403,000,000 in 1984.

Assets
(000's)

As of Dec. 31		1985		1984
Cash & securities	$	192,000	$	182,000
Accts. receiv., net		1,344,000		1,349,000
*Inventories		1,622,000		1,610,000
Other assets		315,000		261,000
Current Assets	$	3,473,000	$	3,402,000
Investments		344,000		182,000
#Fixed assets		2,594,000		2,351,000
Other assets		182,000		159,000
Total Assets	$	6,593,000	$	6,094,000

Liabilities
(000's)

		1985		1984
Short-term debt	$	459,000	$	413,000
Accts. payable		411,000		440,000
Accrued payroll		220,000		197,000
Income taxes		169,000		149,000
Other liab.		320,000		249,000
Curr. Liabilities	$	1,579,000	$	1,448,000
Long-term debt		431,000		330,000
Deferred inc. taxes		364,000		338,000
Other liabilities		211,000		164,000
+ Common stock		296,000		296,000
Retained earnings		4,389,000		4,139,000
Treasury stock		(265,,000)		(131,000)
Cum. translation		(412,000)		(490,000)
Total Liabilities & Shareholders' Equity	$	6,593,000	$	6,094,000

* At lower of cost (FIFO) or market (lower of replacement cost) or realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	13.98	16.26
%Net Income to Sales	8.46	9.51
%Net Income to Equity	16.57	19.22
Debt to Equity	0.22	0.19
Working Capital	$1,894,000,000	$1,954,000,000
Current Ratio	2.19	2.35
Shareholders' Equity	$4,008,000,000	$3,824,000,000

Missouri Research Laboratories, Inc.

3800 West Clay Street
St. Charles, Missouri 63301
(314) 946-6900

Officers: Walter Funk, Jr., chairman of the board & chief exec officer; Jerome E. Adams, president & chief administrative officer; Lawrence C. Grazevich, vice chairman & chief operating officer; Alan G. Johnson, secretary.

Directors: Walter Funk, Jr. chairman; Robert J. Forthofer, William W. Halliday, Max Diamant, John H. Pahlmann, Lawrence C. Grazevich, Jerome E. Adams, Alan G. Johnson, Roswell Messing, Jr.

Areas of Work: The company manufactures products and supplies services in the following areas: electronics, industrial equipment, and utility products.

Divisions:

Electronics Group
Albuquerque, New Mexico

Manufactures high quality printed circuit boards and a wide variety of electronic assemblies. Offers contract personnel services including engineers, technicians, draftsmen and illustrators.

Utility Products & Services Group
Hoffman, Illinois

Manufactures and sells a line of mobile power equipment containing electrical generating capacity and other support equipment used by undergrouad utility system construction and maintenance crews.

Industrial Equipment Group
St. Charles, Missouri

Performs general job shop fabrication services involving machining, welding, and sheetmetal forming operations.

Transfer Agent(s):

Mercantile Bank
St. Louis, Missouri

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MRES (NASDAQ)

Sales and Earnings

		Net Sales +		Net Income
1986	$	15,494,000	$	322,000
1985		13,312,000		23,000
1984		12,448,000		332,000
1983		13,654,000		457,000
1982		13,819,000		615,000

	No. of Com. Shares ‡	Earn. per Share ‡
1986	2,189,000	$ 0.15
1985	2,189,000	0.01
1984	2,206,000	0.15
1983	2,280,000	0.20
1982	2,272,000	0.27

+ Of continuing operations only.
‡ Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.05	—	—
1985	0.09	—	—
1984	0.09	—	—
1983	0.13	—	—
1982	0.13	—	—

Common Stock Equity

		Total Equity	Equity Per Share †
1986	$	4,910,000	$ 2.24
1985		4,712,000	2.15
1984		4,885,000	2.21
1983		4,974,000	2.18
1982		4,802,000	2.11

† Based on the weighted average number of common shares outstanding.

Income Account *
(000's)

Year ended Jan. 31		1986		1985
Net sales	$	15,494	$	13,312
Cost of sales		13,489		12,235
Expenses		1,635		1,564
Interest expense		246		224
Interest income		(133)		(189)
Other income		(69)		(71)
Valuation allow.		37		—
Gain on sale of mfg. oper.		(128)		—
Inc. (loss) bef. taxes	$	417	$	(451)
Income taxes (credit)		95		(386)
Inc. (loss)- cont. oper.	$	322	$	(65)
Inc - discont. oper		—		88
Net Income	$	322	$	23

* Included in Costs and Expenses, Depreciation and Amortization: $646,000 in 1986 and $622,000 in 1985.

Assets
(000's)

As of Jan. 31		1986		1985
Cash	$	58	$	548
Cert. of deposit		200		—
Marketable securities		1,525		946
Accts. receiv., net		2,647		1,857
*Inventories		1,317		1,775
Prepaid expenses		58		49
Refandable income taxes		—		284
Current Assets	$	5,805	$	5,459
#Fixed assets		2,791		2,392
Other assets & defer. charges		304		232
Total Assets	$	8,900	$	8,083

Liabilities
(000's)

		1986		1985
Notes payable	$	—	$	100
Long-term debt, curr.		330		353
Accts. payable		642		706
Accruals		166		169
Accrued payroll		335		187
Income taxes		11		—
Curr. Liabilities	$	1,484	$	1,515
Long-term debt		2,468		1,856
Deferred income taxes		38		—
+ Common stock		231		231
Add. paid-in capital		1,318		1,318
Retained earnings		3,641		3,428
Treasury stock		(280)		(265)
Total Liabilities & Shareholders' Equity	$	8,900	$	8,083

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1986	1985
%Net Income to Equity	6.56	0.49
Sales to Inventories	11.76	7.50
Debt to Equity	0.57	0.49
Working Capital	$4,321,000	$3,944,000
Current Ratio	3.91	3.60
Shareholders' Equity	$4,910,000	$4,712,000

Modern Controls, Inc.

6820 Shingle Creek Parkway
Minneapolis, Minnesota 55430
(612) 560-2900

Modern Controls, Inc.

Officers: Howard L. Demorest, chairman, treasurer & chief executive officer; William N. Mayer, president & secretary; Robert L. Demorest, v.p. & gen. mgr.-Gas Measurement Division; Ron Meyer, v.p. & gen. mgr.-Inspection & Conveying Division; Vernon J. Vander Weide, asst. secretary.

Directors: Howard L. Demorest, Francis Faber, William N. Mayer, Dean B. Chenoweth, Ronald Esau, J. Leonard Frame, William Price.

Areas of Work: Manufactures and markets precision instruments used for quality control, production control, and testing purposes, primarily in the food, pharmaceutical, chemical, and packaging industries. Also manufactures and markets high-speed capsule sorting and weighing systems for the pharmaceutical industry.

Transfer Agent(s):

First Bank of Minneapolis
Minneapolis, Minnesota 55480

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MOCO (NASDAQ)

Number of Employees:

1985	57	1982	38
1984	N.A.	1981	38
1983	38		

Plant Footage:

1985	21,600 sq. ft.	1982	20,000
1984	N.A.	1981	20,000
1983	20,000		

N.A. - Not Available

Sales and Earnings

	Net Sales +	Net Income ‡
12/31/85	$ 6,402,247	$ 1,000,603
12/31/84*	5,056,802	674,418
1/31/84	3,471,917	434,303
1/31/83	2,666,393	362,177
1/31/82	2,644,041	223,884

	No. of Com. Shares	Earn. per Share ‡
12/31/85	2,108,332	$ 0.45
12/31/84*	2,177,884	0.36
1/31/84	1,602,134	0.25
1/31/83	1,601,784	0.22
1/31/82	1,601,784	0.14

* 11 months.
+ Of continuing operations only.
‡ Including extraordinary credits of $135,599 ($0.08 per share) in 1983 and $68,358 ($0.04 per share) in 1982.

Common Stock Equity

	Total Equity	Equity Per Share
12/31/85	$ 4,856,982	$ 2.30
12/31/84	4,501,498	2.07
1/31/84	2,115,559	1.32
1/31/83	1,680,788	1.05
1/31/82	1,318,611	0.82

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 6,402,247	$ 5,056,802
Cost of sales	2,228,528	1,756,797
Research & development costs	505,064	483,766
Expenses	2,219,661	1,859,967
Interest income	(308,523)	(167,296)
Interest expense	10,575	5,687
Other expense	23,439	23,463
Income before taxes	$ 1,723,503	$ 1,094,418
Income taxes	722,900	420,000
Net Income	$ 1,000,603	$ 674,418

* Included in Costs and Expenses, Depreciation and Amortization: $106,488 in 1985 and $59,025 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & temp. cash invest.	$ 3,704,963	$ 3,306,293
Accts. receiv., net	1,017,261	706,841
*Inventories	782,582	1,019,377
Prepaid expenses	41,816	43,038
Deferred income taxes	22,350	—
Current Assets	$ 5,568,972	$ 5,075,549
#Fixed assets	342,324	245,798
Other assets	240,150	112,500
Total Assets	$ 6,151,446	$ 5,433,847

Liabilities

Long-term debt, curr.	$ 24,611	$ —
Accts. payable	292,010	327,709
Accruals	434,548	373,169
Warranty costs	20,000	30,000
Income taxes	417,268	153,171
Curr. Liabilities	$ 1,188,437	$ 884,049
Notes payable	88,277	—
Def. inc. taxes	17,750	48,300
+ Common stock	210,833	217,788
Add. paid-in capital	3,003,296	3,095,619
Retained earnings	1,642,853	1,188,091
Total Liabilities & Shareholders' Equity	$ 6,151,446	$ 5,433,847

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

% Income bef. Taxes to Sales	26.92	21.64
% Net Income to Sales	15.63	13.34
% Net Income to Equity	20.60	14.98
Sales to Inventories	8.18	4.96
Debt to Equity	0.02	—
Working Capital	$4,380,535	$4,191,500
Current Ratio	4.69	5.74
Shareholders' Equity	$4,856,982	$4,501,498

Modular Computer Systems, Inc.

(20% owned by AEG-Telefunken of West Germany)

1650 W. McNab Road
Fort Lauderdale, Florida 33309
(305) 974-1380

Mailing address:

P.O. Box 6099
Fort Lauderdale, Florida 33310

Officers: Gabriel A. Rosica, chairman of the board, president & chief executive officer; K.A. Estey, v.p.-operations; Frederick E. Baxter, v.p. & dir.-finance & admin.; Bernard M. Herbenick, general counsel & secretary; L. David Osborne, v.p. & dir.-sales & marketing; Michael Rogers, v.p. & dir.-int'l operations.

Directors: Gabriel A. Rosica, chairman; Hans Gissel, William E. Mayer, David T. Morgenthaler, Edward D. Zimmer.

Areas of Work: Engaged in the development, manufacture and marketing of computer systems and software (programs) for the measurement and control market, including process measurement and control, laboratory automation, production control and monitoring, and energy demand and monitoring.

Subsidiaries:

Modular Computer Services
The Business Centre
Molly Millars Lane
Berkshire RG11 2JQ United Kingdom

Modular Computer Services
Rue De La Presse
1000 Brussels, Belgium

MODCOMP France S.A.R.L.
17 Rue des Solets Silic 115
94513 Rungis Cedex
France

MODCOMP GmbH
Waldmannstrassess
2000 Hamburg, 50
F.R. of Germany

MODCOMP Nederland B.V.
Zeelantlaan No 11
3526AK Utrecht
The Netherlands

MODCOMP Canada, Ltd.
400 Matheson Boulevard East, Unit 24
Mississauga, Ontario L4Z 1N8
Canada

Modular Computer Systems Ireland Ltd.
Carrigtwohill
County Cork, Ireland

Modular Computer Holdings Ltd.
Ireland

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: MSY

Number of Employees:

1985	858	1982	1,240
1984	1,047	1981	1,535
1983	1,073		

Plant Footage:

1985	217,000 sq. ft.	1983	312,000
1984	378,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 69,132,000	$ (3,384,000)
1984	78,497,000	3,289,000
1983	74,947,000	(23,804,000)
1982	92,770,000	1,790,000
1981	87,200,000	1,160,000

	No. of Com. Shares	Earn per Share #‡
1985	5,734,000	$ —
1984	5,611,000	0.59
1983	5,475,000	—
1982	5,335,000	0.34
1981	5,171,000	0.22

(Loss)
‡ Including extraordinary gain of $555,000 ($0.10 per share) in 1985.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 47,737,000	$ 8.33
1984	50,358,000	8.97
1983	46,225,000	8.44
1982	68,642,000	12.87
1981	65,677,000	12.70

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 69,132	$ 78,497
Cost of sales	41,918	46,659
Expenses	26,527	27,223
Loss on discont. prod.	514	735
Est. plant consol. exp.	3,572	(846)
Interest expense	673	1,444
Interest income	(867)	(924)
Other expense	63	756

Income (loss) before taxes	$ (3,268)	$ 3,450
Income taxes	671	161
Net Income (Loss)	$ (3,939)	$ 3,289
Extraord. gain	555	—
Net Income (Loss) & extraord. gain	$ (3,384)	$ 3,289

* Included in Costs and Expenses, Depreciation and Amortization: $3,392,000 in 1985 and $3,085,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 1,514	$ 1,288
Short-term investments	11,967	10,043
Accts. receiv., net	13,553	16,158
Refundable income taxes	284	159
*Inventories	21,445	23,989
Prepaid expenses	1,042	681
Current Assets	$ 49,805	$ 52,318
#Fixed assets	11,271	11,044
Other assets	260	544
Total Assets	$ 61,336	$ 63,906

Liabilities
(000's)

Notes payable	$ 2,478	$ 1,398
Long-term debt, curr.	721	1,587
Accts. payable	2,239	3,238
Accruals	6,649	5,023
Other liabilities	993	683
Curr. Liabilities	$ 13,080	$ 11,929
Long-term debt	519	1,619
+ Common stock	287	281
Add. paid-in capital	55,463	54,706
Retained earnings (deficit)	(7,950)	(4,566)
Treasury stock	(63)	(63)
Total Liabilities & Shareholders' Equity	$ 61,336	$ 63,157

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.05 par value

Statistical Summary

%Income bef. Taxes to Sales	—	4.40
%Net Income to Sales	—	4.19
%Net Income to Equity	—	6.52
Sales to Inventories	3.22	3.27
Debt to Equity	0.08	0.09
Working Capital	$36,725,000	$40,389,000
Current Ratio	3.81	4.39
Shareholders' Equity	$47,737,000	$50,358,000

Mohawk Data Sciences Corp.

7 Century Drive
Parsippany, New Jersey 07054
(201) 540-9172

Officers: Ralph H. O'Brien, chairman of the board, president & chief executive officer; R. Watson Bell, exec. v.p.; F. Michael Gallagher, sr. v.p., treasurer & chief financial officer; William J. Mann, exec. v.p.; Dallas L. Talley, sr. v.p. & president-MDS Qantel; Tayne H. Elam, v.p.-product development, MDS Systems; Vincent L. Tofany, v.p. & president-MDS Dek; Herbert G. Price, sr. v.p.-technology planning; F. William Stamper, sr. v.p.-product strategies; John C. Walters, sr. v.p.-legal & secretary; Michael V. Bergamo, v.p. & president-MDS Service; Joe R. Brooks, v.p. & exec v.p.-MDS Qantel; Stuart Goldsmith, v.p.-corp. planning & development; Robert J. Hingre, sr. v.p.-manufacturing & president-MDS Herkimer; Harry L. Hoberman, v.p.-product programs; Kenneth E. James, v.p.-human resources; Robert E. Sundius, v.p.-quality assurance & president-MDS Terminals.

Directors: Ralph H. O'Brien, chairman; R. Watson Bell, William E. McKenna, James W. Hart, Arthur F. Flaherty, L. Donald Horne, Francis P. Lucier, George R. West, William J. Mann.

Areas of Work: Through the Company's MDS Systems Division, the Company is involved in the design, manufacture and distribution of microprocessor-based data processing systems. Applications include data entry, stand-alone processing, data communications, word processing and electronic mail. The Qantel Division markets a full line of application-oriented computer systems designed for the business user. Qantel offers a variety of software packages that are designed for specific industries. The MDS Trivex Division manufactures plug-compatible terminals, printers and controllers which require no modification of hardware or software for total compatibility. MDS Service Division provides installation, preventive maintenance and repair to all users of MDS products.

Divisions:

MDS Systems
MDS Qantel
MDS Trivex
MDS Service

Subsidiaries:

Mohawk Data Sciences-Canada Limited
MDS-Belgium, S.A.
MDS A/S (Denmark)
M.D.S.-France, S.A.
MDS Deutschland GmbH (West Germany)
M.D.S. Limited-Eire
M.D.S. Italia S.p.A.
MDS Nederland N.V.
MDS-Svenska, AB
MDS Austrailia Pty. Ltd.
Sistemas MDS Mexico, S.A.
MDS Schweiz AG
Mohawk Data Sciences South Africa (Pty.) Ltd.
MDS Spain
MDS Computer Systems (U.K.) Ltd

Transfer Agent(s):

The First National Bank of Boston
Post Office Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: MDS

Sales and Earnings

	Revenues	Net Income ‡
1984	$ 402,500,000	$ (53,000,000)
1983	363,6[illegible]0	12,000,000
1982	333,900,000	15,600,000
1981	320,900,000	18,100,000
1980	287,500,000	16,600,000

	No. of Com. Shares	Earn. per Share + ‡
1984	14,564,349	$ —
1983	14,490,436	0.83
1982	13,397,264	1.16
1981	13,320,852	1.51
1980	11,146,168	1.46

(Loss)
‡ Including extraordinary gains of $600,000 ($0.04 per share) in 1983, $800,000 ($0.07 per share) in 1981 and $1,300,000 ($0.11 per share) in 1980.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 107,700,000	$ 7.39
1983	165,500,000	11.42
1982	156,900,000	11.71
1981	153,800,000	11.55
1980	93,300,000	8.37

Income Account *
(000's)

Year ended April 30	1984	1983
Net sales	$ 252,985	$ 216,985
Rentals & other income	149,480	146,639
Revenues	$ 402,465	$ 363,624
Cost of sales	126,364	94,206
Cost of rentals & services	97,315	91,510
Expenses	180,918	153,428
Non recurring change	33,279	—
Other expense	886	27
Interest expense	12,548	11,610
Interest income	(3,632)	(3,804)
Eq. in inc. of subsid.	(1,482)	(1,428)
Income (loss) before taxes	$ (43,731)	$ 18,075
Income taxes	9,233	6,675
Net Income (Loss)	$ (52,964)	$ 11,400
Extraord. gain	—	645
Net Income (Loss) & extraord. gain	$ (52,964)	$ 12,045

* Included in Costs and Expenses, Depreciation and Amortization: $33,328 000 in 1984 and $37,100,000 in 1983.

Assets
(000's)

As of April 30	1984	1983
Cash	$ 3,110	$ 4,946
Accts. receiv., net	88,118	85,354
Investment in sales-type leases	16,184	16,407
*Inventories	64,242	60,369
#Rental equipment	88,495	106,662
#Fixed assets	30,459	28,160
Intangibles	9,075	8,683
Investments in affil.	14,169	16,390
Other assets	20,118	15,801
Total Assets	$ 333,970	$ 342,772

Liabilities
(000's)

Accts. payable	$ 20,698	$ 19,220
Mortgages & other debt	6,873	5,194
Accrued payroll	9,106	5,714
Income taxes	5,293	4,591
Other taxes	6,176	6,074
Accruals	24,813	11,396
Long-term debts	112,663	85,545
Subord. deben.	18,792	18,792
Deferred credits	10,907	9,847
Deferred inc. taxes	10,920	10,918
+ Common stock	1,456	1,449
Add. paid-in capital	118,241	117,366
Retained earnings	12,067	65,031
Cum. trans. adjust.	(24,035)	(18,365)
Total Liabilities & Shareholders' Equity	$ 333,970	$ 342,772

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	4.97
%Net Income to Revenues	—	3.14
%Net Income to Equity	—	6.89
Shareholders' Equity	$107,729,000	$165,481,000

Molex Incorporated

2222 Wellington Court
Lisle, Illinois 60532
(312) 969-4550

Officers: John H. Krehbiel, chairman; John H. Krehbiel, Jr., president; Frederick Krehbiel, exec. v.p.; Kerry Krafthefer, v.p.-sales & marketing; Ronald L. Schubel, v.p.-operations; Hideo Horikoshi, v.p.; Ronald Canaday, v.p.-finance; John C. Psaltis, v.p. & treasurer; Louis A. Hecht, secretary & general counsel.

Molex Incorporated

Directors: John H. Krehbiel, chairman; John H. Krehbiel, Jr., Frederick A. Krehbiel, Lewis E. Platt, Robert J. Potter, Robert H. Hayes.

Areas of Work: Engaged in the production and sale of connectors, conductor cable, terminals, interconnection systems, switches and associated application equipment for electrical and electronic products. Also involved in the extrusion of plastics, the laminating of multi-conductor cable, the further processing (notching, slitting, cutting) of such cable and fabricating these into cable connector assemblies.

Divisions and Subsidiaries:

Molex S.A. de C.V.
Molex Far East Management, Ltd.
Molex Japan Co., Ltd.
Molex Singapore Pte., Ltd.
Molex Taiwan Ltd.
Taiwan Connections Ltd.
Molex Hong Kong Ltd.
Molex Electronics Ltd. (Canada)
Molex Electronica Ltda.
Molex European Management Ltd.
Molex Export Inc.
France Connexion S.A. (85% owned)
Molex ETC, Inc.
Molex International, Inc.
Molex Electronics Ltd. (U.K.)
Moles Italia S.p.A.
Moles G.m.b.H.
Molex Svenska A.B.
Molex (Benelux) B.V.
Commercial Products Division
Data Products Division
Special Products Division
Application Tooling Division
Manufacturing Tooling Division
Industrial Interfaces Inc. (90% owned)
Molex Ltd. Japan
Taiwan Connections Ltd.
Molex Illinois S.A.
Molex Parkfield Ltd.
Smithstown Light Eng. Ltd. (50% owned)
Technor (Pty.) Ltd. (30% owned)

Transfer Agent(s):

American National Bank and Trust Company of Chicago
33 North LaSalle Street
Chicago, Illinois 60690

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MOLX (NASDAQ)

Number of Employees:

1985	4,163	1982	2,655
1984	4,166	1981	2,379
1983	3,053		

Sales and Earnings

	Net Sales	Net Income
1985	$ 253,213,654	$ 30,900,672
1984	252,222,277	38,240,907
1983	175,976,080	22,020,163
1982	165,852,264	20,735,417
1981	143,013,603	17,156,783

	No. of Com. Shares ‡	Earn. per Share ‡
1985	20,120,641	$ 1.54
1984	19,993,687	1.91
1983	19,863,874	1.11
1982	19,767,534	1.05
1981	19,623,312	0.87

‡ Based on the average number of common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$0.03	—	—
1984	0.03	100%	—
1983	0.02	50%	—
1982	0.02	—	—
1981	0.02	50%	—

‡ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1985	$ 186,099,932	$ 9.25
1984	157,115,216	7.86
1983	118,225,815	5.95
1982	94,317,685	4.77
1981	78,223,838	3.99

+ After allowing for preferred stock at par value.
‡ Based on the average number of common shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 253,213,654	$ 252,222,277
Cost of sales	132,844,132	119,652,588
Expenses	70,268,018	66,364,304
Other income	(3,127,990)	(3,898,521)
Income before taxes	$ 53,229,494	$ 70,103,906
Income taxes	22,088,000	31,811,000
Minority interest	240,822	51,999
Net Income	$ 30,900,672	$ 38,240,907

* Included in Costs and Expenses, Depreciation and Amortization: $19,078,797 in 1985 and $14,888,230 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 11,060,258	$ 3,388,179
Accts. receiv., net	60,636,720	52,792,404
*Inventories	28,773,817	26,793,080
Prepaid expenses	665,329	691,193
Cert. of deposit	47,465,858	61,969,761
Current Assets	$ 148,601,982	$ 145,634,617
#Fixed assets	102,563,123	78,577,325
Other assets	4,281,771	1,860,850
Total Assets	$ 255,446,876	$ 226,072,792

Liabilities

Note payable	$ 659,826	$ 483,080
Long-term debt, curr.	2,046,946	1,550,258
Accts. payable	24,530,115	24,238,927
Accruals	9,176,557	7,206,011
Accrued payroll	5,057,078	7,432,891
Dividends payable	154,085	153,365
Income taxes	5,310,900	10,464,676
Accrued prof. sh. plan	3,153,044	3,193,858
Curr. Liabilities	$ 50,088,551	$ 54,723,066
Long-term debt	8,260,586	5,244,682
Deferred income	3,474,276	1,667,156
Deferred inc. taxes	5,817,966	6,646,433
Other deferred items	181,218	191,152
Minority interest	1,476,983	437,723
+ Preferred stock	47,364	47,364
+ + Class B common stock	4,713	4,713
+ + Common stock	1,003,578	998,151
Add. paid-in capital	12,880,700	9,929,058
Retained earnings	187,185,608	156,891,832
Def. unearned comp.	(2,188,893)	(2,250,077)
Treasury stock	(1,303,881)	(79,643)
Cum. trans. adjust.	(11,481,893)	(8,378,818)
Total Liabilities & Shareholders' Equity	$ 255,446,876	$ 226,072,792

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $100 par value; 6% non-cumulative.
+ + $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	21.02	27.79
%Net Income to Sales	12.20	15.16
%Net Income to Equity	16.60	24.33
Sales to Inventories	8.80	9.41
Debt to Equity	0.06	0.05
Working Capital	98,513,431	$ 90,911,551
Current Ratio	2.97	2.66
Shareholders' Equity	186,147,296	$157,162,580

Monolithic Memories, Inc.

2175 Mission College Boulevard
Santa Clara, California 95054-1592
(408) 970-9700

Officers: Zeev Drori, chairman of the board; Irwin Federman, president & chief executive officer; Michael J. Callahan, exec. v.p. & chief operating officer; Thomas J. Branch, v.p.-sales; Kenneth W. Gates, v.p.-Worldwide Assembly; Gordon L. Peterson, v.p.-Military Products Division; William H. Bennett, v.p.-human resources; Robert G. Bortfeld, v.p.-research & development; George J. Kern, v.p.-manufacturing; James M. Eustice, treasurer; Larry W. Sonsini, secretary; John C. Bolger, v.p.-finance; H.T. Chua, v.p.-product & technology development; Cyrus Tsui, v.p.-commercial product divisions; Timothy J. Propeck, v.p.-marketing; Wayne Cantu, v.p.-product assurance; Jacob Dayan, v.p.-Worldwide Test & Finish Operations.

Directors: Zeev Drori, chairman; Irwin Federman, Larry W. Sonsini, Charles M. Blalack, Eugene Kleiner, Charles L. Lea, Jr., Robert C. Wilson.

Areas of Work: The corporation designs, manufactures and markets large-scale integrated semiconductor circuits used in computers and computer peripheral equipment, military electronics, CAD/CAM systems, telecommunications and other digital equipment.

Subsidiaries:

Monolithic Memories GmbH
Mauerkircherstrasse 4
8000 Munich 80
West Germany

Monolithic Memories Limited
Monolithic House
1 Queens Road
Farnborough
Hampshire Gu 14 6DJ
England

Monolithic Memories (France) SARL
8 Rue de l'Esterel
Silic 463
94613 Rungis Cedex
France

MMI-Japan KK
Shinjuku Nomura Shoken Bldg. 5F
5-17-9 Shinjuku
Shinjuku-ku
Tokyo 160
Japan

Monolithic Memories Malaysia Sdn Bhd
Phase III, Free Trade Zone
11900 Bayan Lepas
Penang, Malaysia

MMI Integrated Circuits (Singapore)
PTE Ltd.
19 Keppel Road 11-06
Jit Poh Building
Singapore 0208

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MMIC (NASDAQ)

Number of Employees:

1985	3,700	1982	2,700
1984	3,800	1981	2,241
1983	3,000		

Plant Footage:

1985	472,600 sq. ft.	1982	244,000
1984	327,000	1981	244,000
1983	254,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 177,690,000	$ 10,457,000
1984	187,293,000	26,899,000
1983	105,391,000	10,154,000
1982	68,598,000	2,801,000
1981	76,310,000	6,968,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	18,860,000	$ 0.55
1984	18,978,000	1.42
1983	16,827,000	0.60
1982	13,486,000	0.21
1981	13,046,000	0.53

‡ Based on the weighted average number of common shares and common share equivalents outstanding fully diluted adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 169,633,000	$ 8.99
1984	156,149,000	8.24
1983	124,348,000	7.39
1982	53,826,000	3.99
1981	50,286,000	3.85

‡ Based on the weighted average number of common shares and common share equivalents outstanding fully diluted adjusted to reflect stock split.

Income Account *

As at	10/29/85	9/30/84
Net sales	$ 177,690,000	$ 187,293,000
Cost of sales	107,476,000	91,283,000
Expenses:		
Res., develop. & engineering	24,453,000	19,775,000
Marketing	24,160,000	24,482,000
Gen. & adm.	14,010,000	12,722,000
Emp. profit sharing	1,305,000	4,907,000
Other income	(5,791,000)	(6,950,000)
Income before taxes	$ 12,077,000	$ 41,074,000
Income taxes	1,620,000	14,175,000
Net Income	$ 10,457,000	$ 26,899,000

* Included in Costs and Expenses, Depreciation and Amortization: $21,122,000 in 1985 and $12,909,000 in 1984.

Assets

As at	10/29/85	9/30/84
Cash	$ 51,132,000	$ 71,952,000
Accts. receiv., net	24,168,000	28,702,000
*Inventories	19,935,000	23,216,000
Prepaid expenses	2,537,000	1,123,000
Prepaid income taxes	6,628,000	—
Current Assets	$ 104,400,000	$ 124,993,000
#Fixed assets	123,651,000	91,901,000
Other assets	963,000	861,000
Total Assets	$ 229,014,000	$ 217,755,000

Liabilities

Notes payable to bank	$ 8,400,000	$ 7,567,000
Long-term debt, curr.	1,112,000	488,000
Oblig. under cap. leases, curr.	657,000	706,000
Accts. payable	5,915,000	13,096,000
Accrued payroll	3,775,000	4,306,000
Def. inc. on ship. to distr.	5,504,000	5,988,000
Income taxes payable	7,645,000	1,935,000
Def. inc. taxes	—	2,276,000
Other accrued liab.	5,748,000	8,259,000
Curr. Liabilities	$ 38,756,000	$ 44,621,000
Long-term debt	2,319,000	411,000
Oblig. under cap. leases	3,326,000	3,983,000
Deferred inc. taxes	14,980,000	12,591,000
+ Common stock	373,000	367,000
Add. paid-in capital	101,502,000	98,481,000
Retained earnings	67,758,000	57,301,000
Total Liabilities & Shareholders' Equity	$ 229,014,000	$ 217,755,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02 par value.

Statistical Summary

% Income bef. Taxes to Sales	6.80	21.93
% Net Income to Sales	5.88	14.36
% Net Income to Equity	6.16	17.23
Sales to Inventories	8.91	8.07
Debt to Equity	0.09	0.08
Working Capital	$ 65,644,000	$ 80,372,000
Current Ratio	2.69	2.80
Shareholders' Equity	$169,633,000	$156,149,000

Monsanto Company

800 N. Lindbergh Boulevard
St. Louis, Missouri 63167
(314) 694-1000

Officers: Richard J. Mahoney, chairman & chief executive officer; Francis J. Fitzgerald, president & chief operating officer; Earle H. Harbison, Jr., vice chairman & exec. v.p.; Nicholas L. Reding, exec. v.p.; Robert L. Berra, Howard A. Schneiderman, Harold J. Corbett, sr. v.p.'s; Francis A. Stroble, sr. v.p. & chief financial officer; Thomas L. Gossage, Robert G. Potter, Donald H. Swan, group v.p.'s; Richard W. Duesenberg, sr. v.p., secretary & general counsel; Leonard A. Cohn, Charles A. Faden, S. Allen Heininger, Martin J. Kallen, Stewart D. Daniels, Earl N. Brasfield, John F. Hussey, David L. Sliney, Thomas H. Lafferre, James H. Senger, v.p.'s; Lawrence B. Skatoff, v.p. & controller; B. Clare Harris, treasurer.

Directors: Richard J. Mahoney*, chairman; John W. Hanley*, Donald C. Carroll, C.R. Dahl, Richard I. Fricke, Jean Mayer, Stansfield Turner, Howard M. Love, Edward L. Palmer, Buck Mickel, Margaret Bush Wilson*, John B. Slaughter, Francis J. Fitzgerald, Earle H. Harbison, Jr., John S. Reed, William D. Ruckelslaus.

* Member of the Executive Committee.

Areas of Work: Engaged in the worldwide manufacture and sale of a widely diversified line of chemical and agricultural products, prescription pharmaceuticals, low caloric sweeteners, industrial process control equipment, man-made fibers, and electronic materials. In the electronics field, the Company manufactures silicon materials, semi-conductor materials, process controls, develops and produces power sources for the Atomic Energy Commission, space programs, the life sciences and oceanographic research.

Operating Units:

Monsanto Agricultural Company
Monsanto Chemical Company
Monsanto Electronic Materials Company
Fisher Controls International, Inc.
G.D. Searle & Co.
The NutraSweet Company

Electronics & Related Subsidiaries:

Fisher Controls International, Inc.
Manufactures and markets process measurement and control equipment.

Monsanto Enviro-Chem Systems, Inc.
Develops and markets engineered chemical facilities and pollution abatement systems.

Monsanto Research Corporation
Conducts research for government agencies and for Monsanto; produces nuclear sources; operates a government-owned laboratory for the Atomic Energy Commission.

Industrias Monsanto S.A.-Brazil
Manufactures rubber chemical, phosphates and process control equipment.

Monsanto Electronics
Sendirian Berhad, Malaysia
Processes silicon wafers from slicing through polishing.

Radiation Dynamics, Inc.
Melville, New York
Involved in the field of electron beam processing; manufactures industrial process accelerators and medical radiation processing equipment.

Kemp Company of Maryland
Designs and manufactures gas processing equipment.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Amsterdam, Brussels, Frankfurt, Geneva, London, Paris, Zurich

Ticker Symbol: MTC

Number of Employees:

1985	56,103	1982	52,199
1984	50,754	1981	57,391
1983	48,835		

Sales and Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1985	$ 6,747,000	$ (98,000)
1984	6,691,000	439,000
1983	6,299,000	402,000
1982	6,325,000	352,000
1981	6,948,000	445,000

	No. of Com. Shares †	Earn. per Share #‡
1985	76,752,553	$ —
1984	78,281,026	5.42
1983	81,842,592	4.89
1982	81,195,222	4.39
1981	78,936,568	5.75

(Loss)
‡ Including extraordinary gains of $30,000,000 ($0.40 per share) in 1985, $33,000,000 ($0.41 per share) in 1983 and $23,000,000 ($0.29 per share) in 1982.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Agricultural prods.	$ 1,152,000	$ 1,338,000
Chemicals	4,051,000	4,360,000
Electronic materials	137,000	220,000
Fisher controls	652,000	550,000
NutraSweet	317,000	—
Pharmaceuticals	262,000	15,000
Oil & gas	172,000	203,000
Corp. items & eliminations	4,000	5,000
Total	$ 6,747,000	$ 6,691,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$2.45	—	—
1984	2.25	—	2-for-1
1983	2.075	—	—
1982	1.975	—	—
1981	1.875	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share †
1985	$ 3,407,000	$ 44.39
1984	3,634,000	46.42
1983	3,677,000	44.93
1982	3,490,000	42.98
1981	3,322,962‡	42.10

† Adjusted to reflect stock split.
‡ After allowing for preferred stock at voluntary liquidation value of $73 per share.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 6,747,000	$ 6,691,000
Cost of sales	4,841,000	4,839,000
Expenses	1,555,000	1,175,000
Oper. profit	$ 351,000	$ 677,000
Other income	86,000	130,000
Total	$ 437,000	$ 807,000
Interest expense	178,000	100,000
Restruc. cost	557,000	—
Inc. (loss) bef. taxes	$ (298,000)	$ 707,000
Income taxes (credit)	(170,000)	268,000
Net Income (Loss)	$ (128,000)	$ 439,000
Extraord. gain	30,000	—
Net Income & (Loss) extraord. gain	$ (98,000)	$ 439,000

* Included in Costs and Expenses, Depreciation, Obsolescence and Depletion: $599,000 in 1985 and $503,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 195,000	$ 149,000
Marketable securities	98,000	310,000
Receiv., net	1,887,000	1,299,000
*Inventories	1,097,000	839,000
Current Assets	$ 3,277,000	$ 2,597,000
Investments & other assets	2,566,000	402,000
#Fixed assets	3,034,000	3,374,000
Total Assets	$ 8,877,000	$ 6,373,000

Liabilities
(000's)

	1985	1984
Accounts payable	$ 522,000	$ 497,000
Wages & commissions	129,000	110,000
Income & other taxes	348,000	69,000
Misc. accruals	675,000	249,000
Short-term debt	704,000	277,000
Curr. Liabilities	$ 2,378,000	$ 1,202,000
Long-term debt	2,087,000	824,000
Other liabilities	421,000	52,000
Deferred inc. taxes	584,000	661,000
+Common stock	164,000	164,000
Add. paid-in capital	854,000	855,000
Accum. curr. adj.	(191,000)	(319,000)
Retained earnings	2,824,000	3,110,000
Treasury stock	(244,000)	(176,000)
Total Liabilities & Shareholders' Equity	$ 8,877,000	$ 6,373,000

* At lower of cost (domestic inventories at LIFO; all others at FIFO) or market.
# Less accumulated depreciation and depletion, etc.
+ $2 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.84	10.57
%Net Income to Sales	1.90	6.56
%Net Income to Equity	3.76	12.08
Sales to Inventories	6.15	7.97
Debt to Equity	0.61	0.23
Working Capital	$ 899,000,000	$1,395,000,000
Current Ratio	1.38	2.16
Shareholders' Equity	$3,407,000,000	$3,634,000,000

Moog Inc.

East Aurora, New York 14052
(716) 652-2000

Officers: William C. Moog, president & chairman; Jerald D Bidlack, v.p. & pres.-International Group; Richard A. Aubrecht, admin. v.p. & secretary; Robert T. Brady, v.p. & president-Aerospace Group; Robert R. Banta, v.p.-finance; John Burgess, v.p. & president-Carleton Group; Daniel C. Clark, v.p. & president-Industrial Controls Group; Kenneth D Garnjost, v.p.-engineering; Joe C. Green, v.p.-human resources; Robert H. Maskrey, v.p.; William J. Thayer, v.p.; William P. Burke, treasurer.

Directors: William C. Moog, Jerald D. Bidlack, Jane B. Moog, Kenneth J. McIlraith, Arthur S. Wolcott, Jerald D Bidlack, Richard A. Aubrecht, Peter P. Poth, Steven B. Sample, Robert T. Brady, Warren B. Curring, Director Emeritus.

Areas of Work: Manufactures advanced controls and control systems which utilize high performance servovalves for industrial and aerospace applications; manufactures numerically controlled metalcutting machine tools and computer numerically controlled machine tools throughout the world.

Divisions:

Industrial Controls Group
Manufactures electrohydraulic controls for the guidance systems of space boosters, missiles, and aircraft. For industrial markets, produces controls for machine tools, computer memory access systems, construction equipment, plastic molding equipment, and other process control systems.

Electronic Motion Controls Division
Manufactures and markets electronic motion controls products.

International Controls Division
Identifies and develops markets outside North America for precision control components and systems.

Aerospace Group

Missle Systems Division
Supplier of servovalves for missiles.

Aircraft Controls Division
Manufactures various types of servoactivators, hydromechanical control systems and helicopter products.

Space Products Division
Produces components for propulsion systems to control flight path.

Carlton Group
Produces precision pneumatic components and systems.

Electronics & Systems Division
Product lines include plastic controls, secure radio controls, custom control systems, and specialized electronics assemblies.

Subsidiaries:

Market Development
East Aurora, New York

Moog GmbH
Boblingen, West Germany
(7031) 20011

Moog Japan Ltd. (75% owned)
Hiratsuka, Japan

Moog S.A.R.L.
Rungis, France

Moog Australia Pty. Ltd.
Melbourne, Australia

Moog Italiana S.R.L.
Italy

Moog (Ireland) Ltd.
Ringaskiddy, Ireland

Moog Controls Limited
Tewkesbury, England

Moog do Brasil
Sao Paulo, Brazil

Moog Norden A.B.
Sweden

Transfer Agent(s):
Fidata Trust Company
67 Broad St.
New York, New York 10004

Stock Exchange(s): American

Ticker Symbol: MOG

Number of Employees:

1985	3,336	1982	2,889
1984	2,991	1981	2,623
1983	2,908		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 240,269,000	$ 9,810,000
1984	196,859,000	7,441,000
1983	166,351,000	963,000
1982	154,357,000	6,910,000
1981	132,476,000	10,245,000

	No. of Com. Share #	Earn. per Share #
1985	8,781,000	$ 1.12
1984	8,701,000	0.86
1983	8,650,000	0.11
1982	8,644,000	0.80
1981	7,956,000	1.29

+ Of continuing operations only.
Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Controls	$ 202,168,000	$ 163,655,000
International Controls	38,101,000	33,204,000
Total	$ 240,269,000	$ 196,859,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	—
1983	0.20	—	—
1982	0.20	—	—
1981	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 85,897,000	$ 9.78
1984	75,919,000	8.73
1983	74,642,000	8.63
1982	75,976,000	8.79
1981	74,167,000	9.32

† Based on the average number of shares outstanding.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 240,269,000	$ 196,859,000
Other income	809,000	1,184,000
Total Income	$ 241,078,000	$ 198,043,000
Cost of sales	175,624,000	142,678,000
Expenses	38,910,000	32,784,000
Interest expense	9,431,000	9,481,000
Other charges	394,000	292,000
Loss (inc.) from currency trans.	(349,000)	1,169,000

	1985	1984
Income before taxes	$ 17,068,000	$ 11,639,000
Income taxes	7,258,000	4,198,000
Net Income	$ 9,810,000	$ 7,441,000

* Included in Costs and Expenses, Depreciation and Amortization: $10,105,000 in 1985 and $8,925,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 4,874,000	$ 4,745,000
Accts. receiv., net	76,530,000	63,729,000
*Inventories	55,360,000	51,450,000
Deferred inc. taxes	8,670,000	5,699,000
Prepaid expenses	1,425,000	933,000
Current Assets	$ 146,769,000	$ 126,556,000
#Fixed assets	89,658,000	84,069,000
Other assets	2,799,000	2,380,000
Total Assets	$ 239,226,000	$ 213,005,000

Liabilities

	1985	1984
Notes payable	$ 13,135,000	$ 12,656,000
Long-term debt, curr	4,804,000	3,856,000
Accts. payable	17,569,000	12,562,000
Accruals	6,193,000	5,876,000
Accrued payroll	15,430,000	11,490,000
Income taxes	5,034,000	499,000
Advances & progress billings in excess of related costs	3,512,000	4,065,000
Current Liabilities	$ 65,677,000	$ 51,004,000
Long-term debt	72,470,000	74,494,000
Pension obligation	2,010,000	1,467,000
Minority interest	347,000	275,000
Deferred credits	171,000	99,000
Deferred inc. taxes	12,654,000	9,747,000
+ Common stock	8,815,000	8,742,000
Add. paid-in capital	44,038,000	43,240,000
Retained earnings	35,497,000	27,930,000
Foreign curr. trans	(2,451,000)	(3,991,000)
Treasury stock	(2,000)	(2,000)
Total Liabilities & Shareholders' Equity	$ 239,226,000	$ 213,005,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.10	5.91
%Net Income to Sales	4.08	3.78
%Net Income to Equity	11.42	9.80
Sales to Inventories	4.34	3.83
Debt to Equity	0.90	1.03
Working Capital	$80,092,000	$75,552,000
Current Ratio	2.23	2.48
Shareholders' Equity	$85,897,000	$75,919,000

Moore Products Co.

Sumneytown Pike
Spring House, Pennsylvania 19477
(215) 646-7400

Officers: Edwin G. Rorke, chairman of the board & president; Edward J. Curry, v.p. & dir.-corp. planning; Robert B. Adams, v.p.-engineering; Richard J. Faber, v.p.-mfg.; George W. Tall, v.p.-sales; Hugh S. Wilson, v.p.-int'l operations; William J. Young, v.p.-finance; William B. Moore, v.p.-operations planning; Charles H. Welles, III, secretary.

Directors: Robert W. Buhner, Thomas C. Moore, Edwin G. Rorke*, Charles H. Welles III, Ralph H. Owens, William J. Young*, James O. Moore, William B. Moore*.

* Member of the Executive Committee.

Areas of Work: Designs, manufactures and markets measurement and control equipment and systems for the process industries and dimensional measurement and control equipment for the bearing, automotive, and other hard good manufacturers. Researches and manufactures fluidic devices.

Subsidiaries:

Moore Instruments Ltd./Ltee
Brampton, Ontario, Canada

Moore Products Co. (U.K.), Limited
East Molesey
Surrey, England

Moore Products Co. B.V.
Breda, The Netherlands

Moore Products Co. (Italia) S.V.I
Milan, Italy

Moore Products de Mexico S.A. de C.V. (joint venture)
Ciudad Juanez
Chihuahua, Mexico

Transfer Agent(s):

Girard Bank
Philadelphia, Pennsylvania 1910!

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MORP (NASDAQ)

Plant Footage:

1985	374,000 sq. ft.	1982	374,000
1984	374,000	1981	371,000
1983	374,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 71,680,000	$ 3,074,000
1984	62,309,000	3,028,000
1983	53,150,000	2,982,000
1982	64,909,000	5,278,000
1981	64,555,000	6,002,000

	No. of Com Shares	Earn. per Share ‡
1985	2,069,579	$ 1.48
1984	2,069,579	1.46
1983	2,069,579	1.44
1982	2,069,579	2.56
1981	2,061,642	2.93

‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.88	—	—
1984	0.88	—	—
1983	0.88	—	—
1982	0.86	—	—
1981	0.80	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 42,816,000	$ 20.69
1984	41,207,000	19.91
1983	40,893,000	19.76
1982	40,085,000	19.37
1981	36,586,000	17.75

‡ After allowing for preferred stock at par value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 71,680	$ 62,309
Cost of sales	33,878	29,893
Expenses	33,605	28,862
Other income	(596)	(916)
Income before taxes	$ 4,793	$ 4,470
Income taxes	1,719	1,442
Net Income	$ 3,074	$ 3,028

* Included in Costs and Expenses, Depreciation and Amortization: $2,155,000 in 1985 and $1,880,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term investments	$ 7,629	$ 5,349
Accts. receiv., net	12,212	10,382
*Inventories	18,686	17,670
Prepaid expenses	1,202	999
Current Assets	$ 39,729	$ 34,400
#Fixed assets	13,405	13,226
Other assets	114	229
Total Assets	$ 53,248	$ 47,855

Liabilities
(000's)

	1985	1984
Accounts payable	$ 2,595	$ 2,012
Accruals	3,419	3,229
Adv. from cust	1,911	23
Income taxes	1,110	253
Curr. Liabilities	$ 9,035	$ 5,517
Def. inc. taxes	1,221	955
+ Preferred stock	176	176
+ + Common stock	2,070	2,070
Add. paid-in capital	2,937	2,937
Retained earnings	39,462	38,217
For. curr. trans. adjust.	(1,653)	(2,017)
Total Liabilities & Shareholders' Equity	$ 53,248	$ 47,855

* At lower of cost or market. Domestic inventories at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value, 5% cumulative convertible.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.69	7.17
%Net Income to Sales	4.29	4.86
%Net Income to Equity	7.15	7.32
Sales to Inventories	3.84	3.53
Working Capital	$30,694,000	$28,883,000
Current Ratio	4.40	6.24
Shareholders' Equity	$42,992,000	$41,383,000

Motorola, Inc.

Motorola Center
1303 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-5000

Officers: Robert W. Galvin, chairman of the board & chief executive officer; William J. Weisz, vice chairman & chief operating officer; John F. Mitchell, president & asst. chief operating officer; Stephen L. Levy, exec. v.p. & gen. mgr.-Japanese operations; Levy Katzir, sr. v.p. & gen. mgr.-new enterprises; Donald R. Jones, exec. v.p. & chief financial officer; David W. Hickie, sr. v.p. & asst. chief financial officer; Kenneth J. Johnson, corp. v.p. & controller; Richard H. Weise, sr. v.p. & general; Robert N. Swift, exec. v.p. & chief corporate staff officer; Jack Germain, sr. v.p. & dir.-quality; R. James Harring, corp. v.p. & director-planning; H. Richard Klotz, corp. v.p. & dir.-taxes; Victor R. Kopidlansky, corp. v.p. & asst. gen. counsel; William G. Howard, Jr., sr. v.p. & dir.-research & development; Keith J. Bane, corp. v.p. & dir.-strategy; Toni Dewey, corp. v.p.- & dir.-public relations & advertising; C. Travis Marshall, sr. v.p. & dir.-government relations; Vincent J. Rauner, corp. v.p.-patents, trademarks & licensing; James D. Burge, corp. v.p. & dir.-personnel, U.S.; James Donnelly, sr. v.p. & dir-personnel; Joseph Miraglia, corp. v.p. & dir.-human resources; Rhesa S. Farmer, exec. v.p. & gen. mgr.-Communications Sector; Gary L. Tooker, exec. v.p. & general manager-Semiconductor Products Sector; Arthur Carr, exec. v.p. & gen. mgr.-Information Systems Group; Carl E. Lindholm, exec. v.p.-International operations; Gerhard Schulmeyer, sr. v.p. & gen. mgr.-Automotive & Industrial Electronics Group; James R. Lincicome, exec. v.p. & gen. mgr.-Government Electronics

Motorola, Inc.

Group: Edward F. Italiano, sr. v.p. & gen. mgr.-General Systems Group.

Directors: Robert W. Galvin, Walter B. Scott, William J. Weisz, John F. Mitchell, Arthur C. Nielson, Jr., Stephen L. Levy, B. Kenneth West, John T. Hickey, Wallace C. Doud, William G. Salatich, M. Joseph Lambert, Gardiner L. Tucker, Lawrence Howe, Anne P. Jones, Walter E. Massey.

Areas of Work: Engaged in the design, manufacture and sale of a diversified line of electronic equipment and components, including two-way radios and other forms of electronic communication systems; semi-conductors, including integrated circuits, discrete semiconductors, and microprocessor units; information systems products such as multifunction computer systems, low, medium and high speed modems, multiplexers and network processors and multifunction computer systems for distributed data processing and office automation applications; electronic equipment for military and aerospace use, electronic engine controls, digital appliance controls, automobile radios and other automotive and industrial electronic equipment.

Divisions:

Automotive and Industrial Electronics Group
1299 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-8000

Products include automotive engine control systems, recording and monitoring systems for trucks, very- and ultra-high resolution monochrome monitors for use in the phototypesetting industry, cellular telephone equipment, and controls for appliances.

Automotive Electronics Displays and Terminals Electronic Appliance Controls International

Communications Sector
1301 East Algonquin Road
Schaumburg, Illinois 60196
(312) 397-1000

Mobile and portable FM two-way radio communications systems, radio paging systems, communications control centers, radio operations, microwave communications equipment and systems; single sideband radio equipment, and cellular mobile telephone systems.

Communications Distribution Group
Communications International Group
Communications Manufacturing Group
Land Mobile Product Group
Paging Products Division
Data Products Division

Semiconductor Products Sector
5005 East McDowell Road
Phoenix, Arizona 85008
(602) 244-6900

MOS and bipolar integrated circuits; power and small signal transistors; thyristors, varactors, zener and tuning diodes; optoelectronics, semiconductor chips, RF modules, microwave devices, triggers, suppressors; field effect transistors.

Discrete and Special Technologies Group
Integrated circuits Wafer Manufacturing Group
International Semiconductor Group
European Semiconductor Group
Microprocessor Products Group
Standard Logic and Analog IC Group
Application Specific Integrated Circuits Division
Assembly Manufacturing and Equipment Engineering Division
MOS Memory Division

Government Electronics Group
8201 East McDowell Road
Scottsdale, Arizona 85252
(602) 949-3033

Products include government electronics products, such as diversified military and space electronic equipment, including aerospace telecommunications systems, military communications equipment, radar systems, data links display systems, positioning and navigation systems, missile guidance equipment, electronic ordnance devices and drone electronic systems.

Communications Division
Tactical Electronics Division
Aerospace Operations
Radar Operations

General Systems Group

Supplies cellular telephone systems and manufactures microcomputers and related communications software.

Cellular Group
Cellular Intrastructure Division
Cellular Subscriber Products Division

Motorola Computer Systems, Inc.
10700 North DeAnza Blvd.
Cupertino, California 95014
(403) 255-0900

Information Systems Group

Provides customers with products to handle complex data communication needs.

Codex Corporation
20 Cabot Boulevard
Mansfield, Massachusetts 01201
(413) 448-8214

ISE International Inc.
1303 Algonquin Road
Schaumburg, Illinois 60196
(312) 397-1000

Universal Data Systems, Inc.
5000 Bradford Drive
Huntsville, Alabama 35805
(205) 837-8100

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: MOT

Number of Employees:

1985	90,200	1982	78,800
1984	99,900	1981	76,300
1983	88,800		

Sales and Earnings

	Net Sales + (000's)	Net Income ‡ (000's)
1985	$ 5,443,000	$ 72,000
1984	5,534,000	349,000
1983	4,328,000	244,000
1982	3,786,000	178,000
1981	3,570,000	182,000

	No. of Com. Shares #	Earn. per Share #‡
1985	119,000,000	$ 0.61
1984	118,491,000	3.27
1983	117,138,000	2.09
1982	109,518,000	1.62
1981	107,142,000	1.70

+ Includes other revenue.
‡ Including extraordinary gain of $8,000,000 ($0.23 per share) in 1982.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Communications products	$ 2,314,000	$ 2,055,000
Semiconductor products	1,728,000	2,240,000
Information systems products	704,000	618,000
Gov't electronic products	496,000	441,000
Other products	356,000	370,000
Eliminations	(155,000)	(190,000)
Total	$ 5,443,000	$ 5,534,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.64	—	—
1984	0.61	—	3-for-1
1983	0.53	—	—
1982	0.53	—	—
1981	0.53	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 2,284,000	$ 19.19
1984	2,278,000	19.23
1983	1,948,000	16.63
1982	1,700,000	15.52
1981	1,409,000	13.15

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales & other revenues	$ 5,443,000	$ 5,534,000
Cost of sales	3,406,000	3,206,000
Expenses	1,475,000	1,475,000
Depreciation	441,000	353,000
Interest expense	76,000	34,000
Income before taxes	$ 45,000	$ 466,000
Income taxes (credit)	(27,000)	79,000
Net Income	$ 72,000	$ 387,000

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term investments	$ 176,000	$ 168,000
Accts. receiv., net	813,000	817,000
Future tax benefits	187,000	161,000
*Inventories	784,000	924,000
Other assets	149,000	133,000
Current Assets	$ 2,109,000	$ 2,203,000
#Fixed assets	1,981,000	1,742,000
#Equip. leased to others	157,000	150,000
Sundry assets	123,000	99,000
Total Assets	$ 4,370,000	$ 4,194,000

Liabilities
(000's)

Long-term debt, curr.	$ 291,000	$ 111,000
Accts. payable	375,000	436,000
Accruals	455,000	540,000
Income taxes	64,000	115,000
Curr. Liabilities	$ 1,185,000	$ 1,202,000
Long-term debt	705,000	531,000
Deferred taxes	100,000	102,000
Other liabilities	96,000	81,000
+Common stock	358,000	356,000
Add. paid-in capital	486,000	478,000
Retained earnings	1,440,000	1,444,000
Total Liabilities & Shareholders' Equity	$ 4,370,000	$ 4,194,000

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation.
+ $3 par value.

Statistical Summary

%Income bef. Taxes to Sales	0.83	8.42
%Net Income to Sales	1.32	6.99
%Net Income to Equity	3.15	16.99
Sales to Inventories	6.94	5.99
Debt to Equity	0.44	0.28
Working Capital	$ 924,000,000	$1,001,000,000
Current Ratio	7.78	1.83
Shareholders' Equity	$2,284,000,000	$2,278,000,000

MSI Data Corporation

340 Fischer Avenue
Costa Mesa, California 92626
(714) 549-6000

Mailing address:

P.O. Box 11466
Santa Ana, California 92711

Officers: William J. Bowers, chairman of the board; Charles S. Strauch, president & chief executive officer; Richard W. Hoag, sr. v.p.-marketing & sales; Herbert R. Espeland, v.p.-operations; Joseph R. Falvey, v.p.-North American sales; Charles E. Butler, v.p.-marketing; Harold H. Simeroth, v.p.-engineering; George J. Harris, v.p.-field service; Fredrick N. Fortier, treasurer & secretary.

Directors: William J. Bowers, John C. Martin, John A. Karsten, Harvey Klein, Jerry E. Goldress.

Areas of Work: Designs, manufactures, sells and services handheld source data entry systems, designed for use in the collection of business information.

Subsidiaries:

MSI Data Limited
Data House
85-17, Basingstoke Road
Reading, Berkshire
RG2 0EZ England

MSI France S.a.R.L.
2/4 Avenue de la Cerisaie
Platanes 311
94266 Fresnes Cedex
France

MSI Data International
MSI-DISC, Inc.
340 Fischer Avenue
Costa Mesa, California 92626
(714) 540-6600

MSI Data GmbH
Horbellerstrasse 10-14
D-5000 Cologne 40
West Germany

MSI Data Italia
Via Crisoforo Colombo, 49
20090 Trezzano S. Naviglio
Milan, Italy

MSI Data International
Rue D' Arlon 15
1040 Brussels, Belgium

MSI Data GmbH
18 Ortsstrasse
2331 Voesendorf
Austria

MSI Switzerland
81 Avenue Louis Casai
1216 Geneve Cointrin
Switzerland

MSI Australia Pty Limited
Suite 9
No. 9 Myrtle Street
Crows Nest, Sydney, NSW
Australia

Transfer Agent(s):

First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): American

Ticker Symbol: MSI

Number of Employees:

1985	711	1982	860
1984	N.A.	1981	870
1983	852		

Plant Footage:

1985	47,200 sq. ft.	1982	102,400
1984	N.A.	1981	102,400
1983	102,410		

N.A. - Not Available.

Sales and Earnings

	Revenues +	Net Income
1985	$ 56,159,000	$ (1,487,000)
1984	61,178,000	4,060,000
1983	58,672,000	3,422,000
1982	55,338,000	4,780,000
1981	55,616,000	3,473,000

	No. of Com. Shares #	Earn. per Share #
1985	2,505,944	$ —
1984	2,494,892	1.63
1983	2,479,960	1.38
1982	2,446,137	1.95
1981	2,335,215	1.49

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.30	—	—
1984	0.40	—	—
1983	0.40	—	—
1982	0.40	—	—
1981	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 25,834,000	$ 10.31
1984	28,782,000	11.54
1983	25,852,000	10.42
1982	23,137,000	9.46
1981	19,162,612	8.21

† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	3/30/85	3/31/84
Revenues:		
Net sales	$ 41,283,000	$ 48,034,000
Field serv. & maint. support	14,876,000	13,144,000
Total revenues	$ 56,159,000	$ 61,178,000
Cost of revenues	32,024,000	29,426,000
Expenses	26,690,000	25,076,000
Interest exp. (income)	149,000	(196,000)
Inc. (loss) bef. taxes	$ (2,704,000)	$ 6,872,000
Income taxes (credit)	(1,217,000)	2,812,000
Net Income (Loss)	$ (1,487,000)	$ 4,060,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,252,000 in 1985 and $1,747,000 in 1984.

Assets

As of	3/30/85	3/31/84
Cash	$ 1,288,000	$ 4,809,000
Income taxes receiv.	1,563,000	—
Accts. receiv., net	15,155,000	15,763,000
*Inventories	9,734,000	8,699,000
Deferred inc. taxes	1,319,000	356,000
Prepaid expenses	123,000	316,000
Current Assets	$ 29,182,000	$ 29,772,000
#Fixed assets	8,288,000	8,159,000
Intangibles	1,673,000	—
Other assets	236,000	354,000
Total Assets	$ 39,379,000	$ 38,456,000

Liabilities

Accts. payable	$ 4,058,000	$ 2,692,000
Accrued payroll	2,079,000	2,367,000
Taxes payable	525,000	776,000
Income taxes	—	544,000
Deferred revenues	1,725,000	979,000
Other liabilities	1,717,000	434,000
Curr. Liabilities	$ 10,104,000	$ 7,792,000
Long-term debt	2,431,000	1,108,000
Deferred revenues	892,000	720,000
Other liabilities	118,000	54,000
+ Common stock	2,536,000	2,486,000
Add. paid-in capital	7,270,000	6,869,000
Retained earnings	18,328,000	20,563,000
Foreign currency trans.	(2,300,000)	(1,136,000)
Total Liabilities & Shareholders' Equity	$ 39,379,000	$ 38,456,000

* At cost (FIFO) which is not in excess of market.
# Less accumulated depreciation and amortization.
+ $1.00 par value.

Statistical Summary

%Income before Taxes to Revenues	—	11.23
%Net Income to Revenues	—	6.64
%Net Income to Equity	—	14.11
Debt to Equity	0.09	0.04
Working Capital	$19,078,000	$22,151,000
Current Ratio	2.89	3.91
Shareholders' Equity	$25,834,000	$28,782,000

MSI Electronics Inc.

34-32 57th Street
Woodside, New York 11377
(212) 672-6500

Officers: A. Lederman, president & chairman of the board; Dominick Scaringella, vice president & secretary-treasurer.

Directors: T.R. Bashkow, A. Lederman, E.L. Hurd.

Areas of Work: Voltage variable capacitor diodes, semiconductor components and instruments, and test instruments.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MSIE (NASDAQ)

Number of Employees:

1985	26	1982	21
1984	26	1981	20
1983	24		

Plant Footage:

1985	6,200 sq. ft.	1982	6,200
1984	6,200	1981	6,200
1983	6,200		

Sales and Earnings

	Net Sales	Net Income
1985	$ 2,513,423	$ 376,227
1984	2,344,031	584,127
1983	2,106,650	500,033
1982	2,046,076	489,968
1981	1,488,649	231,733

	No. of Com. Shares †	Earn. per Share†
1985	1,367,622	$ 0.27
1984	1,408,448	0.41
1983	1,408,448	0.36
1982	1,408,376	0.35
1981	1,283,376	0.18

†Based on the average number of common shares and common share equivalents outstandng adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—

1983	—	—	2-for-1
1982	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share†
1985	$ 3,258,181	$ 2.38
1984	3,005,614	2.13
1983	2,421,487	1.72
1982	1,921,454	1.36
1981	1,412,736	1.10

† Adjusted to reflect stock splits.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 2,513,423	$ 2,344,031
Cost of sales	1,200,246	950,571
Expenses	755,341	733,266
Interest & dividend income	(249,304)	(214,507)
Income before taxes	$ 807,140	$ 874,701
Income taxes	430,913	290,574
Net Income	$ 376,227	$ 584,127

*Included in Costs and Expenses, Depreciation: $71,459 in 1985 and $50,488 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 144,949	$ 79,438
Treasury notes	2,719,404	2,322,679
Accts. receiv., net	392,633	488,146
Marketable securities	267,422	275,820
Interest receiv.	63,465	82,410
*Inventories	279,287	249,169
Prepaid expenses	2,355	4,867
Current Assets	$ 3,869,515	$ 3,502,529
#Fixed assets	175,173	146,544
Other assets	2,300	2,913
Total Assets	$ 4,046,988	$ 3,651,986

Liabilities

Accts. payable	$ 641,638	$ 604,233
Income taxes	147,169	42,139
Curr. Liabilities	$ 788,807	$ 646,372
+ Common stock	42,254	42,254
Add. paid-in capital	418,001	418,001
Retained earnings	2,921,586	2,545,359
Treasury stock	(123,660)	—
Total Liabilities & Shareholders' Equity	$ 4,046,988	$ 3,651,986

* At lower of cost or market.
# Less accumulated depreciation.
+ $0.03 par value.

Statistical Summary

%Income bef. Taxes to Sales	32.11	37.32
%Net Income to Sales	14.97	24.92
%Net Income to Equity	11.55	19.43
Sales to Inventories	9.00	9.41
Working Capital	$3,080,708	$2,856,157
Current Ratio	4.91	5.42
Shareholders' Equity	$3,258,181	$3,005,614

MTS Systems Corporation

14000 Technology Drive
Eden Prairie, Minnesota 55344

Mailing Address:

P.O. Box 24012
Minneapolis, Minnesota 55424
(612) 937-4000

Officers: George N. Butzow, chairman & chief exec. officer; Donald M. Sullivan, president & chief operating officer; Marshall L. Carpenter, v.p. & treasurer; George Doering, v.p.-Automation Systems Group; Richard W. Clarke, Milan L. Sebek, v.p.'s; Keith D. Zell, v.p.-prod. group; William T. Dolan, secretary.

Directors: Charles A. Brickman, George N. Butzow, Thomas E. Holloran, E. Thomas Binger, Thomas Stelson, Donald M. Sullivan.

Areas of Work: Designs, manufactures and markets electronic instruments and software products; also hydraulic devices such as high-technology fluid power systems used in basic scientific research on materials, in the evaluation of new products, for production line quality control and for material forming manufacturing.

Subsidiaries:

MTS Systems GmbH
Potsdamer Str. 23/24
1 Berlin 37
West Berlin

MTS (Japan) Ltd.
4-8-13 Kudan Minami
Chiyoda-Ku, Tokyo T102
Japan

MTS Systems France
MTS Systems (Hong Kong)
MTS Limited (UK)
MTS Testing Systems (Canada) Ltd.
MTS Systems SRL (Italy)

MTS International Ltd. (Barbados, West Indies)

MTS Systems Norden AB (Sweden)

Transfer Agent(s):

Norwest Bank of Minneapolis, N.A.
Minneapolis, Minnesota 55440

Stock Exchange(s): Over-the-Counter

Ticker Symbol: MTSC (NASDAQ)

Number of Employees:

1985	1,161	1982	883
1984	973	1981	851
1983	829		

Sales and Earnings

	Net Sales	Net Income
1985	$ 95,879,000	$ 5,025,000
1984	74,873,000	3,869,000
1983	67,457,000	2,361,000
1982	65,075,000	1,567,000
1981	64,852,000	4,187,000

	No. of Com. Shares #	Earn. per Share #
1985	2,799,000	$ 1.79
1984	2,738,000	1.41
1983	2,669,000	0.88
1982	2,607,000	0.60
1981	2,604,000	1.36

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$0.24	—	—
1984	0.21	—	3-for-2
1983	0.21	—	—
1982	0.21	—	—
1981	0.21	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 40,314,000	$ 14.40
1984	35,178,000	12.85
1983	31,921,000	11.96
1982	29,803,000	11.43
1981	29,056,000	11.16

+ Based on the weighted average number of shares outstandng adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 95,879,000	$ 74,873,000
Cost of sales	57,701,000	44,858,000
Expenses	27,837,000	21,990,000
Prof. sh. plan	1,199,000	774,000
Interest expense	1,050,000	219,000
Other expenses	383,000	556,000
Income before taxes	$ 7,709,000	$ 6,476,000
Income taxes	2,684,000	2,607,000
Net Income	$ 5,025,000	$ 3,869,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,125,000 in 1985 and $2,070,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 3,187,000	$ 2,094,000
Interest bearing invest.	4,504,000	6,285,000
Accts. receiv., net	25,950,000	24,025,000
*Inventories	23,989,000	20,790,000
Prepaid expenses	1,275,000	1,183,000
Current Assets	$ 58,905,000	$ 54,377,000
#Fixed assets	20,151,000	18,417,000
Other assets	7,940,000	6,099,000
Total Assets	$ 86,996,000	$ 78,893,000

Liabilities

Notes payable	$ 1,188,000	$ 1,741,000
Long-term debt, curr.	1,614,000	1,972,000
Accts. payable	3,609,000	4,040,000
Accruals	7,554,000	6,066,000
Advance billings	3,382,000	1,513,000
Income taxes	15,066,000	12,968,000
Curr. Liabilities	$ 32,413,000	$ 28,300,000
Other liabilities	300,000	450,000
Long-term debt	11,441,000	13,017,000
Deferred inc. taxes	2,528,000	1,948,000
+ Common stock	685,000	673,000
Add. paid-in capital	4,543,000	4,116,000
Retained earnings	35,568,000	31,194,000
Cum. trans. adjust.	(482,000)	(805,000)
Total Liabilities & Shareholders' Equity	$ 86,996,000	$ 78,893,000

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.04	8.65
%Net Income to Sales	5.24	5.17
%Net Income to Equity	12.46	11.00
Sales to Inventories	4.00	3.60
Debt to Equity	0.35	0.48
Working Capital	$26,492,000	$26,077,000
Current Ratio	1.82	1.92
Shareholders' Equity	$40,314,000	$35,178,000

Mylee Digital Sciences, Inc.

155 Weldon Parkway
Maryland Heights, Missouri 63043
(314) 567-3420

Officers: James R. Moog, chairman of the board & chief exec. officer; Dennis M. Buchheit, v.p.-operations; Carlos R. Quinones, secretary, treasurer & chief financial officer; Timothy S. Keen, v.p.-marketing; Richard A. Heitman, v.p.-product development.

Directors: James R. Moog, Michael Nicholson.

Areas of Work: Engaged in the design, development, assembly and sale of data storage and retrieval systems for inventory control management, and in the maintenance and service of such systems.

Subsidiaries:

Mylee International, Ltd. (DISC)
Ladue Leasing Company
Mylee Technical Services Corp.
MSC Systems Corporation

Transfer Agent(s):

Mercantile Trust Co. (Debentures)
721 Locust Street
St. Louis, Missouri 63101

Mylee Digital Sciences, Inc. (Common stock)
155 Weldon Parkway
Maryland Heights, Missouri 63043

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	50

Plant Footage:

1985	15,600 sq. ft.	1984	15,600

Sales and Earnings

	Net Sales +	Net Income
1985	$ 2,104,972	$ (1,215,748)
1984	2,681,157	(1,041,408)
1983	3,216,940	(750,976)
1982	3,367,717	(545,742)
1981	2,502,916	(828,090)

	No. of Com. Shares †	Earn. per Share †
1985	7,477,351	$ —
1984	7,350,188	—
1983	4,945,652	—
1982	2,567,661	—
1981	2,561,153	—

(Loss)
+ Includes service income.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 344,598	$ 0.05
1984	(1,536,015)	—
1983	(499,407)	—
1982	(940,831)	—
1981	(396,049)	—

(Deficiency)
† Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Oct. 31	1985	1984
Revenues	$ 2,104,972	$ 2,681,157
Cost of sales	583,765	958,744
Commissions	35,995	142,218
Expenses	2,478,474	2,506,469
Interest expense	201,162	101,797
Other expense	21,324	13,337
Net Loss	$ (1,215,748)	$ (1,041,408)

* Included in Costs and Expenses, Depreciation: $62,846 in 1985 and $52,440 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 40,803	$ 40,793
Accts. receiv., net	62,277	120,825
*Inventories	628,197	992,452
Prepaid expenses	16,440	19,930
Current Assets	$ 747,717	$ 1,174,000
#Fixed assets	236,872	198,118
Other assets	41,291	40,192
Total Assets	$ 1,025,880	$ 1,412,310

Liabilities

Notes payable	$ —	$ 1,360,000
Long-term debt, curr.	94,944	12,617
Accts. payable	1,557	260,664
Commissions payable	1,348	9,813
Accruals	337,946	679,387
Other	134,792	225,638
Curr. Liabilities	$ 570,587	$ 2,548,119
Long-term debt	25,095	92,501
Other liabilities	—	224,337
Commit. & contingencies	75,000	75,000
Deferred compensation	10,600	8,368
+ Common stock	170,492	1,472,826
Add. paid-in capital	4,866,941	468,246
Retained earnings (deficit)	(4,680,993)	(3,465,245)
Treasury stock	(11,842)	(11,842)
Total Liabilities & Shareholders' Equity	$ 1,025,880	$ 1,412,310

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

Working Capital	177,130	—
Current Ratio	1.31	—
Shareholders' Equity (Deficiency)	$344,598	$(1,536,015)

Napco Security Systems, Inc.

6 DiTomas Court
Copiague, New York 11726
(516) 842-9400

Officers: Richard Soloway, chairman of the board, treasurer & secretary; Kenneth Rosenberg, president; Roy Stockdale, v.p.-engineering; John J. Grein, v.p. & controller.

Directors: Richard Soloway, chairman; Kenneth Rosenberg, Roy Stockdale.

Areas of Work: Manufactures electronic burglar and fire alarms and devices. Products include commercial and residential control panels, telephone dialers, sirens, passive infrared detection systems, and shock processors.

Subsidiaries:

E.E. Electric Components
Raltech Logic, Inc. (80% owned)
Napco Security Systems International, Inc. (DISC)
UMI Manufacturing Corp.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NSSC (NASDAQ)

Number of Employees:

1984	208	1981	133
1983	N.A.	1980	133
1982	N.A.		

Plant Footage:

1984	43,700 sq. ft.	1981	28,500 sq. ft.
1983	N.A.	1980	28,500
1982	N.A.		

N.A.-Not Available

Sales and Earnings

	Net Sales	Net Income
1984	$ 14,207,054	$ 1,649,173
1983	9,264,112	625,613
1982	8,468,359	606,858
1981	9,302,814	1,003,347
1980	7,684,257	209,964

	No. of Com. Shares	Earn. per Share #
1984	1,926,337	$ 0.85
1983	1,925,887	0.32
1982	1,924,527	0.31
1981	1,253,220	0.52
1980	304,600	0.11

Based on the average number of shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	—
1982	—	50%	—
1981	—	100% & 100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 5,251,944	$ 2.73
1983	3,601,138	1.87
1982	2,974,594	1.53
1981	2,345,801	1.20
1980	1,317,449	0.67

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended June 30	1984	1983
Net sales	$ 14,207,054	$ 9,264,112
Cost of sales	8,721,407	6,066,121
Expenses	2,816,323	2,186,296
Interest income	(90,868)	(39,554)
Interest expense	7,088	41,936
Other income	(22,922)	(17,334)
Income before taxes	$ 2,776,026	$ 1,026,647
Income taxes	1,131,443	401,594
Minority interest	(4,590)	(560)
Net Income	$ 1,649,173	$ 625,613

* Included in Costs and Expenses, Depreciation and Amortization: $108,975 in 1984 and $90,938 in 1983.

Assets

As of June 30	1984	1983
Cash	$ 1,091,363	$ 1,191,158
Accts. receiv., net	1,857,568	1,523,313
*Inventories	2,840,533	1,865,947
Prepaid expenses	95,070	59,025
Current Assets	$ 5,884,534	$ 4,639,443
#Fixed assets	801,675	351,755
Other assets	149,819	42,837
Total Assets	$ 6,836,028	$ 5,034,035

Liabilities

Long-term debt, curr.	$ 4,152	$ 27,803
Accts. payable	863,065	857,417
Accrued payroll	367,404	173,882
Income taxes	177,970	152,500
Other accruals	55,075	86,585
Deferred inc. taxes	—	10,374
Curr. Liabilities	$ 1,467,606	$ 1,308,561
Long-term debt	8,510	27,295
Capital lease obligation	—	14,671
Deferred inc. taxes	107,968	56,518
Minority interest	—	25,852
+ Common stock	26,058	26,054
Add. paid-in capital	668,472	666,843
Retained earnings	4,558,547	2,909,374
Treasury stock	(1,133)	(1,133)
Total Liabilities & Shareholders' Equity	$ 6,836,028	$ 5,034,035

* At lower of cost (LIFO) or market, subsidiaries at FIFO.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	19.54	11.08
%Net Income to Sales	11.61	6.75
%Net Income to Equity	31.40	17.37
Sales to Inventories	5.00	4.96
Working Capital	$4,416,928	$3,330,882
Current Ratio	4.01	3.55
Shareholders' Equity	$5,251,944	$3,601,138

National Computer Systems, Inc.

11000 Prairie Lakes Drive
Eden Prairie, Minnesota 55344
(612) 829-3000

Officers: Charles W. Oswald, chairman of the board & chief executive officer; David C. Malmberg, president & chief operating officer; Michael G. Burnett, v.p.-finance; Richard L. Poss, v.p.-Organization & Management Development; John W. Fenton, Jr., secretary & treasurer; Eugene W. Courtney, v.p.-Education; Peter B. Crawford, v.p.-Systems; Donald J. Gibson, v.p.-Scanning Products; Jay V. Clark, v.p.-Information Services; John D. Prudden, president-Commonwealth Leasing Corporation; Linda L. Hoeschler, v.p.-Assessment & Human Resources.

Directors: Charles W. Oswald*, chairman; David C. Malmberg*, David P. Campbell, Edward C. Lund, Otto W. Quale, Arthur E. Weisberg*, Robert F. Zicarelli*, David C. Cox, Stephen G. Shank.

* Member of the Executive Committee

Areas of Work: The Company's business is primarily comprised of two segments: the production and marketing of optical mark reading systems, input documents, materials and test scoring services, and the production and marketing of data processing systems and services for bank trust departments and medical institutions.

Acquisition(s):

Commonwealth Leasing Corporation
Leases computer peripheral and office automation equipment

Transfer Agent(s):

Norwest Bank, Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NLCS (NASDAQ)

Number of Employees:

1986	1,859	1983	788
1985	1,589	1982	745
1984	1,333		

Sales and Earnings

	Net Sales +	Net Income
1986	215,803,000	15,191,000
1985	123,567,000	9,682,000
1984	81,570,000	7,284,000
1983	59,780,000	3,859,000
1982	50,332,000	2,682,000

	No. of Com. Shares #	Earn. per Share #
1986	17,105,000	0.89
1985	15,611,000	0.62
1984	14,894,000	0.49
1983	13,877,000	0.28
1982	13,845,000	0.19

+ Includes rentals & maintenance
# Based on the weighted average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1986	$0.13	—	3-for-2
1985	0.10	—	3-for-2
1984	0.09	—	3-for-2
1983	0.07	—	—
1982	0.07	—	—

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1986	$ 76,249,000	$ 4.45
1985	48,884,000	3.19
1984	41,216,000	2.69
1983	26,404,000	1.91
1982	23,163,000	1.72

† Adjusted to reflect stock splits.

Income Account*
(000's)

Year ended Jan. 31	1986	1985
Net sales	127,422	98,429
Rental & maintenance	88,381	25,138
Total	$ 215,803	$ 123,567
Other income (expense)	755	(204)
Total Income	$ 216,558	$ 123,363
Cost of sales	78,875	63,263
Cost of rentals & maint.	58,242	13,942
Expenses	41,587	27,978
Interest expense	13,393	1,973
Income before taxes	$ 24,461	$ 16,207
Income taxes	9,270	6,525
Net Income	$ 15,191	$ 9,682

* Included in Costs and Expenses, Depreciation: $45,633,000 in 1986 and $7,125,000 in 1985.

Assets
(000's)

As of Jan. 31	1986	1985
Cash	$ 968	$ 374
Short-term invest.	—	5,898
Receivables, net	45,369	24,649
*Inventories	18,508	14,992
Other curr. assets	3,043	1,798
Current Assets	$ 67,888	$ 47,711
#Equipment leased to others	107,310	8,522
#Fixed assets	31,108	24,584
Other assets	23,859	9,534
Total Assets	$ 230,165	$ 90,351

Liabilities
(000's)

Notes payable	$ 4,966	$ —
Long-term debt, curr.	13,616	1,742
Accts. payable	12,158	5,149
Accruals	14,682	10,095
Deferred income	4,334	2,546
Income taxes	377	979
Curr. Liabilities	$ 50,133	$ 20,511
Long-term debt	97,516	6,566
Convert. subord. debent.	—	9,999
Deferred inc. taxes	6,267	4,391
+ Common stock	514	459
Add. paid-in capital	31,073	16,737
Retained earnings	44,662	31,688
Total Liabilities & Shareholders' Equity	$ 230,165	$ 90,351

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.03 par value

Statistical Summary

%Income bef. Taxes to Total Income	11.33	13.12
%Net Income to Total Income	7.04	7.84
% Net Income to Equity	19.92	19.81
Debt to Equity	1.52	0.17
Working Capital	$17,755,000	$27,200,000
Current Ratio	1.35	2.33
Shareholders' Equity	$76,249,800	$48,884,000

National Micronetics, Inc.

5600 Kearny Mesa Road
San Diego, California 92111
(619) 279-7500

Officers: Ned W. Buoymaster, chairman of the board, president & chief executive officer; Andre L. Dionne, Ronald A. Ketcham, Marvin G. Norman, Richard Troutte, Peter I. Fleischner, Tugrul Yasar, Jan V. Peer, vice presidents; Eric W. Markrud, v.p.-finance & treasurer; Patrick A. Rivelli, v.p. & secretary

Directors: Ned W. Buoymaster, chairman of the board; Charles J. Lawson, Jr., George O. Pfaff, James M. MacGuire, Edward R. Bedrosian, Leo L. Contois, Richard C. Farley, Charles C. Francisco, Owen J. Gaffney

Areas of Work: Engaged in the manufacture and engineering of ferrites, advanced recording heads, head assemblies, advanced components for hybrid integrated circuits and subminiature resistor chips.

Divisions:

Semi-Films Division
Micronetics Division
Advanced Materials Division

Transfer Agent(s):

Bradford Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NMIC (NASDAQ)

Number of Employees:

1985	900

Plant Footage:

1985	105,700 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 48,377,000	$ (44,637,000)
1984	63,489,000	4,398,000
1983	44,534,000	2,755,000
1982	41,827,000	3,379,000
1981	23,696,000	568,000

	No. of Com. Shares #	Earn. per Share #
1985	8,635,000	$ —
1984	7,905,000	0.56
1983	6,773,000	0.41
1982	5,128,000	0.67
1981	4,286,000	0.13

(Loss)
Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Recording head prods.	$ 42,809	$ 58,026
Microelectronic components	5,568	5,463
Total	$ 48,377	$ 63,489

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	7-for-5

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 16,683,000	$ 1.93
1984	53,945,000	6.82
1983	32,304,000	4.90
1982	28,823,000	4.45
1981	8,003,358	1.96

‡ Adjusted to reflect stock splits

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 48,377	$ 63,489
Cost of sales	49,121	46,529
Research, develop. & engin.	4,721	4,648
Expenses	6,393	6,018
Interest expense	1,473	299
Interest income	(180)	(302)
Other expense	4,889	145
Income (loss) bef. taxes	$ (18,040)	$ 6,152
Tax credit	(469)	(898)
Inc. (loss)- cont. oper.	$ (17,571)	$ 7,050
Loss - discont. oper.	(27,066)	(2,652)
Net Income (Loss)	$ (44,637)	$ 4,398

* Included in Costs and Expenses, Depreciation and Amortization: $4,419,000 in 1985 and $3,051,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 1,808	$ 4,906
Accts. receiv., net	8,332	13,590
*Inventories	9,500	14,689
Refund. inc. taxes		1,521
Other current assets	1,726	978
Current Assets	$ 21,366	$ 35,684
#Fixed assets	20,302	26,814
Other assets	1,616	10,882
Total Assets	$ 43,284	$ 73,380

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 786	$ 203
Short-term debt	12,000	
Accts. payable	3,174	5,619
Accrued payroll	1,499	2,613
Other accruals	3,578	982
Curr. Liabilities	$ 21,037	$ 9,417
Long-term debt	5,443	9,375
Deferred inc. taxes	121	643
+ Common stock	908	802
Add. paid-in capital	47,239	40,330
Retained earnings (deficit)	(31,464)	13,173
Loss on market eq. securities	—	(360)
Total Liabilities & Shareholders' Equity	$ 43,284	$ 73,380

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	—	8.15
Sales to Inventories	5.09	4.32
Debt to Equity	1.09	0.18
Working Capital	$329,000	$26,267,000
Current Ratio	1.02	3.79
Shareholders' Equity	$16,683,000	$53,945,000

National Semiconductor Corporation

2900 Semiconductor Drive
Santa Clara, California 95051
(408) 721-5000

Officers: Peter J. Sprague, chairman of the board; Charles E. Sporck, president & chief exec. officer; David N. Martin, v.p. & president-National Advanced Systems; F. Joseph Van Poppelen, v.p.-semiconductor marketing; Gregory Harrison, v.p.-corporate services; Johnny M. Humphreys, v.p. & president-DATA CHECKER/DTS Corp.; Clements E. Pausa, v.p.-international manufacturing; James M. Smaha, v.p.-semiconductor division; Gary Arnold, v.p.-finance & chief financial officer; J. Philip Russell, v.p. & controller; John G. Webb, v.p., general counsel & secretary; H. Gene McCown, asst. treasurer; Peter S. Feliciano, asst. treasurer.

Directors: Peter J. Sprague, chairman; Donald E. Weeden, Charles E. Sporck, Robert Beshar, Harry H. Wetzel, Neil Goldschmidt.

Areas of Work: Engaged in the manufacture of monolithic integrated circuits, transistors, semiconductor devices and hybrid integrated circuits which are used in amplifying, switching, gating, commutating elements in telemetry, data processing and multiplexing; also high reliability testing, calculators, electronic watches, watch and clock modules, and POS electronic check-out systems.

Divisions and Subsidiaries:

National Advanced Systems
800 East Middlefield Road
Mountain View, California 94042
(415) 962-6000

National Semiconductor
DATACHECKER DTS Corporation
800 Central Expressway
P.O. Box 58112
Santa Clara, California 95052
(408) 982-3000

National Semiconductor GmbH
Industriestrasse 10
D-8080 Furstenfeldbruck
West Germany

National Advanced Systems
John Busch House
277 London Road
Isleworth
Middlesex, TW7 5AX
England

National Semiconductor Pte., Ltd.
51 Goldhill Plaza
Newton Road
Singapore 1130

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Pacific

Ticker Symbol: NSM

Number of Employees:

1985	37,100	1982	38,300
1984	41,700	1981	35,700
1983	35,600		

Plant Footage:

1985 5,800,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income † (Loss)
1985	$1,787,500,000	$ 43,200,000
1984	1,655,126,000	63,960,000
1983	1,210,499,000	(14,176,000)
1982	1,104,095,000	(10,694,000)
1981	1,110,053,000	52,426,000

	No. of Com. Shares #	Earn. per Share #†
1985	89,800,000	$ 0.48
1984	85,325,000	0.75
1983	70,608,000	—
1982	68,607,000	—
1981	66,258,000	0.79

+ Of continuing operations only.
† Including extraordinary credits of $8,800,000 ($0.10 per share) in 1985 and $7,755,000 ($0.09 per share) in 1984.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	3-for-1
1983	—	—	—
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 681,200,000	$ 7.64
1984	619,029,000	7.12
1983	335,679,000	4.68
1982	336,607,000	4.83
1981	333,357,000	4.94

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended May 31	1985	1984
Net sales	$ 1,787,500	$ 1,655,126
Cost of sales	1,258,500	1,146,299
Expenses	469,500	406,111
Interest expense	7,700	1,280
Inc. bef. taxes	$ 51,800	$ 101,436
Income taxes	17,400	45,231
Net Income	$ 34,400	$ 56,205
Extraord. gain	8,800	7,800
Net Income & Extraord. gain	$ 43,200	$ 64,000

* Included in Costs and Expenses, Depreciation and Amortization: $143,300,000 in 1985 and $115,142,000 in 1984.

Assets
(000's)

As of May 31	1985	1984
Cash	$ 12,200	$ 27,788
Receiv., net	244,700	264,430
*Inventories	223,400	223,085
Prepaid expenses	29,000	18,262
Fut. inc. tax ben.	99,100	66,033
Current Assets	$ 608,400	$ 599,598
#Fixed assets	757,900	510,334
Goodwill	29,000	33,847
Other assets	15,200	12,258
Total Assets	$ 1,410,500	$ 1,156,037

Liabilities
(000's)

	1985	1984
Loans payable	$ 28,400	$ 7,565
Accts. payable	117,400	160,565
Accruals	109,800	126,871
Income taxes	12,900	14,576
Def. inc. on shipments	91,600	84,872
Other liabilities	15,700	9,776
Curr. Liabilities	$ 375,800	$ 404,225
Long-term debt	225,900	24,249
Other liabilities	9,900	13,916
Deferred inc. taxes	117,700	94,618
+ Common stock	44,500	43,494
Add. paid-in capital	350,900	332,934
Retained earnings	285,900	242,601
Total Liabilities & Shareholders' Equity	$ 1,410,500	$ 1,156,037

* At lower of standard cost (which approximates actual cost) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income before Taxes to Sales	2.90	6.13
%Net Income to Sales	1.92	3.40
%Net Income to Equity	5.05	9.08
Sales to Inventories	8.00	7.42
Debt to Equity	0.37	0.05
Working Capital	$232,600,000	$195,373,000
Current Ratio	1.62	1.48
Shareholders' Equity	$681,200,000	$619,029,000

NBI, Inc.

P.O. Box 9001
3450 Mitchell Lane
Boulder, Colorado 80301
(303) 444-5710

Officers: Thomas S. Kavanagh, president; Jesse A. Simmons, v.p. & treasurer; Mark J. Stevenson, exec. v.p. & secretary; David Klein, exec. v.p.; Charles L. Dumas, John C. Meyer, Robert K. Reid, A. Herschel Kranitz, Lynn B. King, v.p.'s; John F. Stasz, corporate controller.

Directors: William R. Hambrecht, Thomas S. Kavanagh, Howard W. Selby, III, Richard Hodgson, Robert M. Collins, Mark J. Stevenson.

Areas of Work: Designs, manufactures and markets software-based office automation systems used in information and word processing and for communications within the office. Also suppier of office products to the end user, including furniture, equipment, supplies and related services.

Divisions and Subs[illegible]s:

NBI Office Products [illegible]ion
NBI Office Systems Division

Integrated Solutions, Inc.
2240 Lundy Avenue
San Jose, CA 95131

Commercial Office Products Company
13800 East 39th Avenue
Aurora, CO 80011

Yukon Office Supply, Inc.
300 S.W. 41st Street
Renton, WA 98055

Peninsula Office Supply, Inc.
1089 Mills Way
P.O. Box 8010
Redwood City, CA 94063

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Pacific

Ticker Symbol: NBI

Number of Employees:

1985	3,291	1982	1,096
1984	2,052	1981	635
1983	1,846		

Plant Footage:

1985	1,197,490 sq. ft.	1983	390,000
1984	N.A.		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 174,798,000	$ 13,215,000
1984	141,764,000	13,776,000
1983	96,780,000	4,590,000
1982	80,520,000	10,986,000
1981	46,050,000	7,158,000

	No. of Com. Shares#	Earn. per Share#
1985	9,367,000	$ 1.41
1984	9,869,000	1.40
1983	10,171,000	0.45
1982	9,341,000	1.18
1981	8,854,000	0.81

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 101,442,000‡	$ 10.65
1984	82,219,000	9.02
1983	86,432,000	8.65
1982	78,676,000	7.98
1981	45,505,000	5.08

‡ After allowing for preferred stock at liquidation value.

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 174,798	$ 141,764
Rental & serv.	41,915	35,287
Total income	$ 216,713	$ 177,051
Cost of sales	104,413	80,107
Expenses	88,994	72,167
Inc. from invest.	(3,946)	(2,489)
Interest expense	5,228	4,305
Income before taxes	$ 22,024	$ 22,961
Income taxes	8,809	9,185
Net Income	$ 13,215	$ 13,776

* Included in Costs and Expenses, Depreciation: $13,909,000 in 1985 and $12,790,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash & cash equiv.	$ 28,506	$ 26,921
Receivables	62,066	44,298
Marketable securities	5,375	8,001
*Inventories	49,392	25,772
Other curr. assets	2,509	1,512
Current Assets	$ 147,848	$ 106,504
Installment receiv.	8,732	9,151
#Rental equip.	4,358	3,808
‡Field spare parts	8,865	10,025
#Fixed assets	53,370	34,539
Deferred comm.	13,726	3,032
Total Assets	$ 236,899	$ 167,059

Liabilities
(000's)

Notes payable	$ 14,899	$ 6,098
Accts. payable	16,055	10,137
Accruals	18,953	8,734
Accrued inc. taxes	6,825	6,703
Deferred inc. taxes	3,621	3,609
Curr. Liabilities	$ 60,353	$ 35,281
Long-term debt	63,284	44,215
Deferred inc. taxes	5,887	5,344
+ Preferred stock	59	—
+ + Common stock	1,031	1,013
Add. paid-in capital	71,497	63,125
Retained earnings	51,468	39,729
Curr. trans. adj.	(389)	(397)
Treasury Stock	(16,291)	(21,251)
Total Liabilities & Shareholders' Equity	$ 236,899	$ 167,059

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $1 par value; Series A, 9% cumulative.
+ + $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.60	16.20
%Net Income to Sales	7.56	9.72
%Net Income to Equity	12.31	16.76
Sales to Inventories	3.54	5.50
Debt to Equity	0.73	0.61
Working Capital	$ 87,495,000	$71,223,000
Current Ratio	2.45	3.02
Shareholders' Equity	$107,375,000	$82,219,000

NCR Corporation

1700 South Patterson Boulevard
Dayton, Ohio 45479
(513) 445-5000

Officers: C.E. Exley, Jr., chairman of the board & president; Donald J. Herman, William F. Buster, Manuel Garcia, exec. v.p.'s; D.W. Russler, sr. v.p.-finance & administration; V.F. Bean, v.p.-customer services; R.C. James, v.p.-Office Systems; D.G. Laws, v.p. & president-Applied Digital Data Systems; Tom T. Tang, v.p.-research & development; Charles P. Russ, III, v.p., secretary & general counsel; John L. Giering, controller; james E. McElwain, v.p.-personnel resources; Norman A. Cocke, treasurer; P.W. Lappetito, sr. v.p., United States Data Processing Group; A.J.R. Oosthuizen, v.p.-Commercial-Industrial/Medical-Education-Government Systems Division; R.B. Reese, v.p., Customer Service Division; Stephen N. Bowen, v.p.-communications; S. Richard Reece, v.p.-finance & adm.; V.W. Yates, v.p.-Personal Computer Division; G. Bassani, v.p.-Latin America; H.M. Schene, v.p.-Europe; R.E. White, v.p.-product marketing & strategic planning; G.P. Williamson, v.p.-Pacific; D.L. Clark, v.p.-Financial Systems Division; C.N. Jorgensen, v.p.-manufacturing; Raymond L. Miolla, v.p.-Financial Systems Division; William J. Gotschall, v.p. & president-NCR Comten, Inc.; R.K. Kruse, v.p.-quality assurance; H.J. Lynch, v.p.-General Purpose Systems Division; J.H. Van Tassel, v.p.-Microelectronics Division; Carl J. Steinmetz, v.p.-Retail Systems Division; Edward J. McHugh, v.p.-Systemedia Group; Frederick Newall, v.p.-marketing; Mohsen, Y. Stephan, v.p.-Middle-East/Africa Group; James G. Adamson, v.p.-Retail Systems D&P Division.

Directors: William S. Anderson*, C.A. Anderson*, W.G. Bowen, G.A. Costanzo, C.E. Exley, Jr.*, C.H. Hardesty, Jr.*, H. Holiday, Jr.*, J.J. Horan, Nicholas F. Brady, C.S. Morawetz, E.J. Schlegel.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures, markets, installs and services total business information processing systems for selected worldwide markets. These markets are primarily in the retail, financial, commercial, industrial, healthcare, education, and government sectors. Computers range from small business systems to powerful general-purpose processors, and are supported by a spectrum of terminals, peripherals, data communications networks and an extensive library of software products. Supplemental services and products include field engineering, data centers, systems services, educational centers, and a line of business forms and supplies. Also manufactures components, including semiconductor products and component subassemblies, which are marketed to other manufacturers.

Divisions and Subsidiaries:

Data Processing Group
Direct Marketing and Customer Support

NCR markets its products through 1,200 offices in more than 120 countries. It operates 87 facilities worldwide for the development and manufacture of products and systems. Operates 48 Data Centers worldwide. Products and systems are marketed through 831 districts in the United States and, internationally, through 72 company-owned organizations and 21 authorized distributors.

The Systemedia Group

Business Forms and Supplies Division

Business forms and supplies are manufactured in 9 U.S. plants and 48 overseas facilities, and are sold to both NCR and non-NCR equipment users.

The Micrographic Systems Division
Mountain View, California

Manufactures and markets a complete line of Computer Output Microfiche recorders, duplicators, and readers, and is a supplier of COM equipment.

Direct Marketing Division

Provides catalog sales of business forms and supplies for smaller users.

Source Document Services Division
Kettering, Ohio

Markets conventional microfiche and ultrafiche processing systems and related equipment for publishers, printers, and libraries.

NCR Comten, Inc.
St. Paul, Minnesota

Produces, markets, and services programmable communications processors, proprietary communications software, and computer performance measurement systems.

Office Systems Division
Dayton, Ohio

Develops and markets word processing workstations and associated peripherals and software.

Independent Marketing Organization

Responsible for new markets not covered by the traditional direct sales organization. Markets NCR computers, terminals and subsystems to independent software houses, system integrators, distributors, dealers and manufacturers of information processing equipment.

Development and Production Group

Consists of 5 divisions: Retail Systems, General Purpose Systems, CI/MEG Systems, Financial Systems and Microelectronics. Comprises 24 operating units in 9 countries.

Applied Digital Data Systems, Inc.
Hauppauge, New York

Manufactures and markets a line of general-purpose computer video display terminals and small business computers.

NCR Telecommunication Services, Inc.

Offers a range of cost-effective communication services to the company, its customers, and general public.

Transfer Agent(s):

AmeriTrust Co.
Corporate Trust Division
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York, London, Main Swiss Exchanges.

Number of Employees:

1983	62,000	1980	68,000
1982	63,000	1979	67,000
1981	65,000		

Plant Footage:

1985 . . . . . 7,100,000 sq. ft.

Sales and Earnings

	Net Sales ‡ + (000's)	Net Income (000's)
1985	$ 4,317,166	$ 315,216
1984	4,074,327	342,640
1983	3,730,951	287,665
1982	3,526,217	234,411
1981	3,432,701	208,234

	No. of Com. Shares #	Earn. per Share †
1985	97,895,256	$ 3.15
1984	99,636,968	3.30
1983	105,717,120	2.64
1982	106,975,072	2.19
1981	106,437,204	1.93

‡ Includes income from sales, services and equipment rental.
+ Of continuing operations only.
# Adjusted to reflect stock split.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.88	—	—
1984	0.80	—	4-for-1
1983	0.65	—	—
1982	0.60	—	—
1981	0.55	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1985	$2,318,350,000	$ 23.68
1984	2,075,932,000	20.84
1983	2,044,841,000	19.34
1982	1,936,517,000	18.10
1981	1,853,261,000	17.41

‡ After allowing for preferred stock at par value.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 2,579,768	$ 2,387,427
Rentals and services	1,737,398	1,686,900
Revenues	$ 4,317,166	$ 4,074,327
Cost of sales	2,275,569	2,129,572
Expenses	1,501,605	1,421,684
Other income	(63,074)	(81,076)
Interest expense	40,250	42,707
Income before taxes	$ 562,816	$ 561,440
Income taxes	247,600	218,800
Net Income	$ 315,216	$ 342,640

* Included in Costs and Expenses, Depreciation: $251,067,000 in 1985 and $249,189,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & investments	$ 793,718	$ 495,293
Receiv., net	974,107	929,128
Other current assets	105,654	86,871
*Inventories	695,883	768,890
Current Assets	$ 2,569,362	$ 2,280,182
#Rental equip.	223,674	217,561
#Fixed assets	646,779	605,787
Exc. of acq. cost over assets of bus. acq.	114,444	120,034
Invest. & other assets	385,581	365,568
Total Assets	$ 3,939,840	$ 3,589,132

Liabilities
(000's)

Short-term borrowings	$ 57,661	$ 154,945
Accts. payable	151,248	143,409
Accrued payroll	153,188	132,428
Accrued taxes	212,038	191,024
Deposits & prepayments	284,186	243,255
Other liab.	349,025	282,088
Curr. Liabilities	$ 1,207,346	$ 1,147,149
Long-term debt	231,688	224,761
Int'l emp. pension	82,145	64,780
Minority interest	100,301	76,500
+ Preferred stock	10	10
+ + Common stock	544,125	544,126
Retained earnings	2,200,522	1,978,252
For. curr. transl.	(118,718)	(192,413)
Treasury stock	(307,579)	(254,033)
Total Liabilities & Shareholders' Equity	$ 3,939,840	$ 3,589,132

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $5 par value; $1.25 cumulative convertible.
+ + $5 par value.

Statistical Summary

%Income bef. Taxes to Revenues	13.04	13.78
%Net Income to Revenues	7.30	8.41
%Net Income to Equity	13.60	16.51
Debt to Equity	0.12	0.18
Working Capital	$1,362,016,000	$1,133,033,000
Current Ratio	2.13	1.99
Shareholders' Equity	$2,318,360,000	$2,075,942,000

Network Systems Corporation

7600 Boone Avenue North
Minneapolis, Minnesota 55428
(612) 424-4888

Officers: James E. Thornton, chairman of the board & chief executive officer; Lyle D. Altman, president & chief operating officer; Gary S. Christensen, v.p.-development; Mahlon L. Moore, v.p.-marketing; Gerald R. Olson, v.p.-engineering & manufacturing; Richard A. Fisher, v.p.-finance & treasurer; Malcolm Reid, general counsel & secretary; Harold W. Durrett, v.p.-information systems; Robert R. Burns, v.p.-planning.

Directors: James E. Thornton, chairman; Lyle D. Altman, Donald W. Feddersen, Eugene F. Barth, Daniel J. Haggerty, Thomas G. Herschbach, Jess R. Marzak, James G. Miles, William A. Hodder.

Areas of Work: The company designs, manufactures, markets and services high-performance data communications systems composed of HYPERchannel and HYPERbus adapters and NETEX software which together create very high-speed computer and terminal networks.

Divisions:

Engineering & Manufacturing Division
Marketing Division
General & Administrative Division
Information Systems Divisions

All at
7600 Boone Avenue North
Minneapolis, Minnesota 55428

Subsidiaries:

Network Systems Ltd.
Toronto, Ontario, Canada

Network Systems France
Nevilly sur Seine, France

Network Systems Norge A/S
Sandvika, Norway

NSC Network Systems AB
Sellentuna, Sweden

Network Systems (Schweiz) AG
Zurich, Switzerland

Network Systems Nederland b.v.
Maarssen, The Netherlands

NSC Limited
Ascot, Berkshire, united Kingdom

Network Systems GmbH
Frankfurt, West Germany

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NSCO (NASDAQ)

Network Systems Corporation

Number of Employees:

1985	908	1982	342
1984	675	1981	236
1983	462		

Plant Footage:

1984	92,000 sq. ft.	1982	59,000
1983	76,000	1981	42,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 90,084,000	$ 17,054,000
1984	71,179,000	15,621,000
1983	47,030,000	10,030,000
1982	28,399,000	5,566,000
1981	18,404,000	3,542,000

	No. of Com. Shares #	Earn. per Share † #
1985	29,091,000	$ 0.59
1984	27,894,000	0.56
1983	27,394,000	0.37
1982	24,663,000	0.22
1981	24,545,000	0.14

Based on the weighted average number of common shares and dilutive common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	5-for-4
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share#
1985	$ 150,442,000	$ 5.17
1984	103,646,000	3.72
1983	85,900,000	3.14
1982	37,748,000	1.53
1981	28,479,000	1.16

Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 90,084	$ 71,179
Other income	6,670	6,013
Total income	$ 96,754	$ 77,192
Cost of sales	25,765	18,654
Expenses	40,695	31,062
Interest expense	290	70
Income bef. taxes	$ 30,004	$ 27,406
Income taxes	12,950	11,785
Net Income	$ 17,054	$ 15,621

* Included in Costs and Expenses. Depreciation: $2,545,000 in 1985 and $1,467,000 in 1984.

Assets
(000's)

As at Dec. 31	1985	1984
Cash & cash equiv.	$ 74,833	$ 52,992
Accts. receiv., net	50,505	38,328
Notes receiv. from off.	1,719	1,046
*Inventories	24,151	15,509
Prepaid expenses	1,391	906
Deferred inc. taxes	2,485	1,135
Current Assets	$ 155,084	$ 109,916
#Fixed assets	14,718	6,695
Other assets	2,782	2,842
Total Assets	$ 172,584	$ 119,453

Liabilities
(000's)

Notes payable	$ 3,459	$ 630
Cap. lease oblig., curr.	—	66
Accts. payable	5,099	4,066
Accruals	6,964	6,017
Income taxes	3,650	4,078
Current Liabilities	$ 19,172	$ 14,857
Cap. lease oblig.	1,000	—
Deferred inc. taxes	1,970	950
+Common stock	578	437
Add. paid-in capital	98,657	69,917
Retained earnings	51,245	34,191
Foreign curr. translation adjust.	145	(737)
Treasury stock	(183)	(162)
Total Liabilities & Shareholders' Equity	$ 172,584	$ 119,453

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.02 par value.

Statistical Summary

%Income bef. Taxes to Sales	33.31	38.50
%Net Income to Sales	18.93	21.95
%Net Income to Equity	11.34	15.07
Sales to Inventories	3.73	4.59
Debt to Equity	0.03	0.01
Working Capital	$135,912,000	$ 95,059,000
Current Ratio	8.09	7.40
Shareholders' Equity	$150,442,000	$103,646,000

Networks Electronic Corp.

9750 De Soto Avenue
Chatsworth, California 91311
(818) 341-0440

Officers: Mihai D. Patrichi, chairman of the board, president, treasurer & chief executive officer; Edwin J. Turner, v.p.-marketing-U.S. Bearing Division; Herman J. Landholt, v.p., secretary & gen. mgr.-Bearing Division; Majed Hariri-Vigeh, asst. v.p.-U.S. Bearing Div.; Robert Peernock, asst. v.p.-Ordnance Division.

Directors: Mihai D. Patrichi, Raymond Klein, Kenneth S. Yamamoto.

Areas of Work: Produced and marketed are spherical bearings used in the aircraft industry, and thermal relay switches, glass-to-metal seals and miniaturized electro-pyrotechnic devices used in the missile and space industry.

Transfer Agent(s):
First Interstate Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NWRK (NASDAQ)

Number of Employees:

1985	129	1982	100
1984	117	1981	125
1983	135		

Plant Footage:

1985	85,000 sq. ft.	1982	85,000
1984	85,000	1981	85,000
1983	85,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 6,153,000	$ 1,527,802
1984	4,532,000	(878,313)
1983	5,129,000	32,889
1982	4,819,000	(347,297)
1981	7,332,000	857,808

	No. of Com. Shares +	Earn. per Share #
1985	2,279,672	$ 0.67
1984	2,331,372	—
1983	2,340,872	0.01
1982	2,327,272	—
1981	2,328,072	0.40

‡ (Loss)
+ Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 4,555,480	$ 2.00
1984	3,224,181	1.38
1983	4,137,397	1.77
1982	4,019,508	1.73
1981	4,375,605	1.88

+ Adjusted to reflect stock split.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 6,153,452	$ 4,531,688
Cost of sales	4,590,238	4,730,320
Expenses	922,038	843,477
Gain on sale	(1,745,655)	(78,886)
Interest expense	99,895	257,391
Other expense	72,404	110,920
Inc. (loss) bef. taxes	$ 2,214,532	$ (1,331,534)
Income taxes (credit)	686,730	(453,221)
Net Income (Loss)	$ 1,527,802	$ (878,313)

* Included in Costs and Expenses. Depreciation and Amortization: $371,934 in 1985 and $345,915 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 422,189	$ 340,196
Accts. receiv., net	920,964	673,525
*Inventories	2,389,486	2,098,905
Prepaid expenses	101,900	37,188
Refund. inc. taxes	—	321,900
Deferred inc. taxes	99,000	—
Current Assets	$ 3,933,539	$ 3,471,714
Investments	43,596	43,659
#Fixed assets	2,825,435	2,913,518
Total Assets	$ 6,802,570	$ 6,428,891

Liabilities

Notes payable	$ 30,000	$ 1,750,000
Long-term debt, curr.	17,706	16,028
Accts. payable	198,355	267,327
Accruals	379,312	317,276
Income taxes	510,301	—
Curr. Liabilities	$ 1,135,674	$ 2,350,631
Long-term debt	836,387	854,079
Deferred inc. taxes	275,029	—
+Common stock	618,049	630,999
Add. paid-in capital	2,344,834	2,528,387
Retained earnings	1,592,597	64,795
Total Liabilities & Shareholders' Equity	$ 6,802,570	$ 6,428,891

* At lower of cost (moving average) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

%Income bef. Taxes to Sales	35.99	—
%Net Income to Sales	24.83	—
%Net Income to Equity	33.54	—

Sales to Inventories	2.58	2.16
Debt to Equity	0.19	0.81
Working Capital	$2,797,865	$1,121,083
Current Ratio	3.46	1.48
Shareholders' Equity	$4,555,480	$3,224,181

New Brunswick Scientific Co., Inc.

P.O. Box 4005
44 Talmadge Road
Edison, New Jersey 08818-4005
(201) 287-1200

Officers: David Freedman, president; Sigmund Freedman, treasurer; Myron Tannenbaum, v.p.-operations; Ezra Weisman, v.p.-sales; Adele Lavender, corp. secretary

Directors: David Freedman, Sigmund Freedman, Julius Berger, Kiyoshi Masuda, Martin Siegel, Ezra Weisman, Marvin Weinstein, Ernest Gross, Myron Tannenbaum

Areas of Work: Manufactures a range of research apparatus and instrumentation for the growth, measurement and control of biochemical processes in the life sciences. Also manufactures controlled environment incubation equipment in a variety of models; biological shakers; research fermentors; tissue culture apparatus DNA synthesizers, and bacterial detection equipment; metering pumps, and distributes centrifugation processing equipment.

Subsidiaries:

New Brunswick Scientific International, Inc.
New Brunswick Scientific (U.K.) Limited
NBS Tech (Ltd.)
NBS GmbH
NBS Sales Company Ltd.

Acquisition(s):

Biosearch, Inc.
Designs, develops, manufactures and markets computerized equipment for the synthesis of DNA and peptide molecules.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NBSC (NASDAQ)

Number of Employees:

1985	346	1983	394
1984	N.A.		

N.A. - Not Available.

Plant Footage:

1985	243,000 sq. ft.	1983	243,000 sq. ft.
1984	243,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 26,550,000	$ 728,000
1984	23,524,000	1,600,000
1983	18,425,000	662,000
1982	20,077,000	1,544,000
1981	16,380,538	851,540

	No. of Com. Shares	Earn. per Share #
1985	3,720,728	$ 0.20
1984	3,701,728	0.43
1983	3,796,728	0.19
1982	2,906,728	0.53
1981	2,905,728	0.31

Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 30,426,000	$ 8.18
1984	28,910,000	7.81
1983	28,567,000	7.52
1982	14,960,000	5.15
1981	13,404,023	4.61

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 26,550,000	$ 23,524,000
Cost of sales	17,031,000	15,151,000
Expenses	9,165,000	6,636,000
Interest income	(474,000)	(871,000)
Income before taxes	$ 828,000	$ 2,608,000
Income taxes	100,000	1,008,000
Net Income	$ 728,000	$ 1,600,000

* Included in Costs and Expenses, Depreciation: $796,000 in 1985 and $408,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,194,000	$ 151,000
Cert. of deposit	7,860,000	12,297,000
Accts. receiv., net	6,739,000	6,679,000
*Inventories	12,685,000	11,489,000
Prepaid expenses	569,000	1,059,000
Current Assets	$ 29,047,000	$ 31,675,000
#Fixed assets	5,405,000	4,153,000
Other assets	4,287,000	127,000
Total Assets	$ 38,739,000	$ 35,955,000

Liabilities

Notes payable	$ 250,000	$ 640,000
Long-term debt, curr.	163,000	129,000
Accts. payable	3,739,000	2,436,000
Advances	152,000	727,000
Income taxes	224,000	443,000
Curr. Liabilities	$ 4,528,000	$ 4,375,000
Long-term debt	3,403,000	2,398,000
Deferred inc. taxes	382,000	272,000
+ Common stock	232,000	231,000
Add. paid-in capital	20,324,000	20,166,000
Retained earnings	9,969,000	9,241,000
Curr. trans. adj.	(99,000)	(728,000)
Total Liabilities & Shareholders' Equity	$ 38,739,000	$ 35,955,000

* At lower of cost (FIFO or actual) or market.
# Less accumulated depreciation.
+ $0.0625 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.12	11.09
%Net Income to Sales	2.74	6.80
%Net Income to Equity	2.39	5.53
Sales to Inventories	2.09	2.05
Debt to Equity	0.53	0.11
Working Capital	$24,519,000	$27,300,000
Current Ratio	6.41	7.24
Shareholders' Equity	$30,426,000	$28,910,000

Newport Electronics, Inc.

630 East Young Street
Santa Ana, California 92705
(714) 540-4914

Officers: Barret B. Weekes, chairman, president & chief executive officer; Harold H. Weiss, v.p.-marketing; Nicholas Testa, v.p.-operations; Francis G. Shinsato, v.p.-finance & chief financial officer; James R. Lees, v.p.-Europe; Kari Hinrichs, v.p.-engineering; John Virtue, secretary.

Directors: Robert H. Davis, Norman E. Gray, John Virtue, Barret B. Weekes

Areas of Work: Engaged in design, manufacture and marketing of precision digital electronic measurement instruments, including digital panel voltmeters, pyrometers and counters. Also manufactures complementary products such as printers, digital clocks, comparators and remote digital displays and digital bus controllers.

Subsidiaries:

Newport Electronics International, Inc. (FSC)
Santa Ana, California

Newport Electronics GmbH
7261 Deckenpfronn
Gaustrasse 28-30
Federal Republic of Germany

Newport Electronique S.A.R.L.
9, rue Denis Papin
78190 Trappes, France

Newport Electronics B.V.
Postbus 8034
1180 LA Amstelueen
The Netherlands

Newport Electronics Ltd.
Red Fira Building
Maxwell Road
Stevenage, Hertfordshire SG1 2EW
United Kingdom

Transfer Agent(s):

U.S. Stock Transfer Corporation
Glendale, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NEWE (NASDAQ)

Number of Employees:

1985	185	1982	180
1984	185	1981	190
1983	155		

Plant Footage:

1985	35,000 sq. ft.	1982	35,000
1984	35,000	1981	35,000
1983	35,000		

Sales and Earnings

	Net Sales +	Net Income †
1985	$ 11,062,000	$ 265,000
1984	11,063,000	705,000
1983	8,623,000	(526,000)˙
1982	8,809,000	236,000
1981	10,167,000	6,000

	No. of Com. Shares	Earn. per Share × †
1985	1,188,073	$ 0.22
1984	1,195,476	0.58
1983	1,195,276	—
1982	1,193,746	0.20
1981	1,193,746	0.01

(Loss)
+ Of continuing operations only.
† Including extraordinary gains of $88,000 ($0.07 per share) in 1985 and $145,000 ($0.12 per share) in 1984.
× Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 4,951,000	$ 4.13
1984	4,712,000	3.94
1983	4,006,000	3.35
1982	4,528,000	3.79
1981	4,292,000	3.60

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 11,162,000	$ 11,063,000
Cost of sales	6,587,000	6,379,000
Prod. develop.	686,000	576,000
Expenses	3,585,000	3,433,000

	1985	1984
Income before taxes	$ 304,000	$ 675,000
Income taxes	127,000	115,000
Net Income	$ 177,000	$ 560,000
Extraord. gain	88,000	145,000
Net Income and extraord. gain	$ 265,000	$ 705,000

* Included in Costs and Expenses, Depreciation and Amortization: $308,000 in 1985 and $275,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 456,000	$ 243,000
Accts. & notes receiv., net	2,174,000	2,141,000
*Inventories	2,338,000	2,358,000
Inc. taxes receiv.	—	51,000
Prepaid expenses	107,000	73,000
Current Assets	$ 5,075,000	$ 4,866,000
#Fixed assets	1,408,000	1,271,000
Other assets	31,000	6,000
Total Assets	$ 6,514,000	$ 6,143,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 50,000	$ 50,000
Accts. payable	647,000	559,000
Accruals	502,000	456,000
Income taxes	108,000	—
Deferred inc. taxes	12,000	83,000
Curr. Liabilities	$ 1,319,000	$ 1,148,000
Deferred income taxes	91,000	97,000
Representative indemnity	53,000	36,000
Long-term debt	100,000	150,000
+Common stock	12,000	12,000
Add. paid-in capital	1,337,000	1,363,000
Retained earnings	3,602,000	3,337,000
Total Liabilities & Shareholders' Equity	$ 6,514,000	$ 6,143,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	2.72	6.10
%Net Income to Sales	1.59	5.06
%Net Income to Equity	3.58	11.88
Sales to Inventories	4.77	4.69
Debt to Equity	0.03	0.04
Working Capital	$3,756,000	$3,718,000
Current Ratio	3.85	4.24
Shareholders' Equity	$4,951,000	$4,712,000

Nicolet Instrument Corporation

5225 Verona Road
Madison, Wisconsin 53711
(608) 271-3333

Officers: John B. Krauss, president & chief exec. officer; Robert E. Penrod, Arthur F. Smith, group v.p.'s; Hiroshi Bando, v.p. & representative director-Nicolet Japan Corporation; Keith E. Brue, v.p.-finance & administration; Richard J. Cushing, v.p. & president-Nicolet Analytical Division; Gregory B. Johnson, v.p.-international operations; Robert L. Olsen, v.p. & president-Nicolet Biomedical Division; Joseph P. Royere, v.p. & president-Nicolet Computer Graphics; L.V. Ackman, secretary.

Directors: L.V. Ackman, Wesley J. Anderson, Patrick D. Lynch, John B. Krauss, John G. Bollinger, Jeanette Grasselli, Odell E. Powers.

Areas of Work: Designs and manufactures sophisticated electronic measurement instrumentation, including "signal averagers" and spectrum and statistical analyzers. Also engaged in the field of computer-aided data acquisition and processing, digital graphics and computer assisted design.

Divisions and Subsidiaries:

Nicolet X-Ray Products
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Instrument GmbH
Senefelderstrasse 162
D-6050 Offenbach am Main
West Germany

Nicolet Instruments Limited
Budbrooke Road
Warwick, Warwickshire
England CV34 5XH

Nicolet Instrument Canada Inc.
1-1200 Aerowood Drive
Mississauga, Ontario L4W 2S7 Canada

Nicolet Analytical Division
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Biomedical Division
5225 Verona Road
Madison, Wisconsin 53711
(608) 271-3333

Nicolet Oscilloscope Division
5225 Verona Road
Madison, Wisconsin 53711

Nicolet Japan Corporation
Daisho Building 8-7-6 Chome
Nishi-Nakajima, Yodogawa-ku
Osaka 532, Japan

Nicolet Computer Graphics
777 Arnold Drive
Martinez, California 94553
(415) 373-7508
Manufacturer of digital graphic plotters.

Nicolet Instrument S.A.R.L.
Z-1 Les Gatines
Rue Elsa Triolet
78370 Plaisir, France

Nicolet Instrument B.V.
Zuiderinslag 4
3871 MR Hoevelaken
The Netherlands

Paratronics, Inc.
Manufacturer of logic analyzers.

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): New York

Ticker Symbol: NIC

Number of Employees:

1985	1,289	1982	950
1984	1,153	1981	780
1983	1,100		

Plant Footage:

1985	N.A.	1982	N.A.
1984	N.A.	1981	95,000
1983	400,000 sq. ft.		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 112,607,000	$ 4,793,000
1984	93,369,000	4,969,000
1983	79,073,000	1,061,000
1982	71,923,000	2,628,000
1981	58,952,000	5,106,000

	No. of Com. Shares #	Earn. per Share #
1985	6,300,000	$ 0.76
1984	6,200,000	0.80
1983	5,330,000	0.20
1982	5,230,000	0.50
1981	5,170,000	0.99

+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.12	—	—
1984	0.06	—	—
1983	0.12	—	—
1982	0.24	—	—
1981	0.24	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 59,292,000	$ 9.41
1984	54,834,000	8.84
1983	36,221,000	6.80
1982	35,419,000	6.77
1981	33,046,000	6.39

Income Account *

Year ended	3/29/85	3/30/84
Net sales	$ 112,607,000	$ 93,369,000
Cost of sales	46,598,000	38,217,000
Expenses	58,167,000	46,083,000
Interest expense	1,019,000	708,000
Income before taxes	$ 6,823,000	$ 8,361,000
Income taxes	2,030,000	3,461,000
Inc.-cont. oper.	$ 4,793,000	$ 4,900,000
Income- discont. oper.	—	69,000
Net Income	$ 4,793,000	$ 4,969,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,517,000 in 1985 and $3,024,000 in 1984.

Assets

As of	3/29/85	3/30/84
Cash & marketable securities	$ 6,507,000	$ 13,059,000
Receiv., net	31,254,000	28,005,000
*Inventories	26,152,000	22,217,000
Sundry	3,474,000	3,651,000
Current Assets	$ 67,387,000	$ 66,932,000
#Fixed assets	19,919,000	17,349,000
Intangibles, net	852,000	736,000
Other assets	1,742,000	1,231,000
Total Assets	$ 89,900,000	$ 86,248,000

Liabilities

	3/29/85	3/30/84
Notes payable	$ 3,594,000	$ 5,041,000
Long-term debt, curr.	711,000	925,000
Accts. payable	7,023,000	6,916,000
Accruals	4,719,000	3,724,000
Contingency reserve-discont. operations	2,232,000	1,364,000
Employee compens.	2,872,000	3,427,000
Income taxes	559,000	408,000
Curr. Liabilities	$ 21,710,000	$ 21,805,000
Long-term debt	8,898,000	9,609,000
+Common stock	1,577,000	1,561,000
Add. paid-in capital	32,083,000	31,296,000
Retained earnings	26,247,000	22,204,000
Curr. trans. adj.	(615,000)	(227,000)
Total Liabilities & Shareholders' Equity	$ 89,900,000	$ 86,248,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.25 par value.

Statistical Summary

	3/29/85	3/30/84
%Net Income to Equity	8.08	9.06
Sales to Inventories	4.31	4.20
Working Capital	$45,677,000	$45,127,000
Current Ratio	3.10	3.07
Shareholders' Equity	$59,292,000	$54,834,000

Nortek, Inc.

50 Kennedy Plaza
Providence, Rhode Island 02903
(401) 751-1600

Officers: Ralph R. Papitto, chairman of the board & chief exec. officer; Richard L. Bready, president, chief financial & chief operating officer; Frank P. Ganzer, William J. Wind, George C. Neumann, vice presidents/group operations; J.R. Potter, v.p., general counsel & secretary; Almon C. Hall, v.p., controller & chief accounting officer; Richard J. Harris, v.p. & treasurer; Lloyd E. Brumley, v.p. & controller-operations; Eric W. Dehmel, v.p.-employee relations/administration; Bruce E. Fleming, v.p.-corp. development.

Directors: Ralph R. Papitto, Richard L. Bready, Richard J. Harris, Philip B. Brooks, Douglass N. Ellis, Jr., Leo Goldberg, Edward W. Ricci, Thomas J. Paolino, David J. Stone, Richard H. Hechmann.

Areas of Work: Operations are organized into three business segments. In the area of Commercial and Residential Building Products are included the fabrication and installation of glass and aluminum curtain walls, caulking and waterproofing services, home ventilation equipment, range hoods, bathroom cabinets, lighting fixtures, sound system intercoms, and heating and cooling systems. In the area of Aerospace and Industrial Products are included fasteners for military and commercial aircraft, air-powered tools and line support clamps for the aerospace and construction industries, landing gear and precision metal components, and self-contained sanitation units. In the area of Electrical Materials Products are included reinforced plastic composites, flexible steel conduit, PVC-coated conduit and flexible wiring systems, and high-performance wire and cable for the electronics, computer and communication industries.

Divisions and Subsidiaries:

Broan, Mfg. Co., Inc.
P.O. Box 140
Hartford, Wisconsin 53027

Monarch Metal Products Corporation
1901 Estes Ave.
Elk Grove Village, Illinois 60007

Music & Sound, Inc.
2861 Congressman Lane
Dallas, Texas 75201

Gemaire Distributors, Inc.
198 Lock Road
Deerfield Beach, Florida 33441

Jensen Industries, Inc.
1946 East Yeth Street
Los Angeles, California 90058

Dixieline Lumber Company
San Diego, California

Glassalum Engineering Corp.
7933 NW 71 St.
Miami, Florida 33166

The Major Glass Company Inc.
285 Salem St.
Woburn, Massachusetts 01888

Roman Caulking and Waterproofing Company
of Florida, Inc.
6710 NW 15th Way
Fort Lauderdale, Florida 33309

Diamond Architecturals, Inc.
P.O. Box 428
27 Horton Avenue
New Rochelle, New York 10810

Metal Products
3535 Hayden Ave.
Culver City, California 90230

Aerospace Fasteners
3423 South Garfield Ave.
Los Angeles, California 90040

American Pneumatic Tool Company
14710 Maple Ave.
Gardena, California 90248

Custom Craft
8557 Higuera St.
Culver City, California 90230

J & M Products, Inc.
1919 Victory Place
Burbank California 91504

Intertherm Inc.
Textone, Inc.

Fasteners, Inc.
3501 W. Dunes Highway
Michigan City, Indiana 46360

Peacock Engineering
10620 Firestone Boulevard
Norwalk, California 90650

Sanitation Group
4030 Freeman Boulevard
Redondo Beach, California 90278

Chester Hoist
Salem Road
Lisbon, Ohio 44432

Ohio Rod Products
P.O. Box 416
Versailles, Indiana 47042

Chandler Products
1491 Chardon Road
Euclid, Ohio 44117

Cornell Manufacturing Co., Inc.
25 Ramland Road
Orangeburg, New York 10962

American Flexible Conduit Company, Inc.
55 Samuel Barnett Boulevard
New Bedford, Masschusetts 02745

The Glastic Co.
4321 Glenridge Road
Cleveland, Ohio 44121

Montrose Products
Aubrun Industrial Park
Auburn, Massachusetts 01501

Transfer Agent(s):

State Street Bank and Trust
Boston, Massachusetts 02101

Stock Exchange(s): New York

Ticker Symbol: NTK

Sales and Earnings

	Net Sales +	Net Income
1985	$ 545,827,000	$ 17,600,000
1984	438,669,000	16,900,000
1983	267,950,000	7,100,000
1982	119,290,000	6,300,000
1981	141,471,000	9,600,000

	No. of Com. Shares	Earn. per Share ‡‡
1985	9,952,000	$ 2.03
1984	6,842,000	2.44
1983	6,741,000	1.34
1982	4,216,000	1.59
1981	3,893,000	2.75

+ Of continuing operations only.
‡‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Commercial & residential building products	$ 344,546	$ 196,648
Aerospace & industrial prods.	97,688	96,418
Elec. material prods.	103,593	95,103
Businesses sold	—	50,500
Total	$ 545,827	$ 438,669

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.08	—	—
1984	0.08	—	—
1983	0.08	—	—
1982	0.08	—	—
1981	0.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 177,793,000	$ 17.86
1984	127,343,000	18.61
1983	109,775,000	16.28
1982	72,293,000	17.15
1981	61,661,000	15.84

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 545,827	$ 438,669
Cost of sales	387,096	312,643
Expenses	98,393	77,189
Interest & debt expense	46,489	23,051
Interest income	(20,526)	(5,764)
Gain on sale of secur.	(18,125)	(3,250)
Income bef. taxes	$ 52,500	$ 34,800
Income taxes	19,400	16,500
Inc.—cont. oper.	$ 33,100	$ 18,300
Loss—discont. oper.	(15,500)	(1,400)
Net Income	$ 17,600	$ 16,900

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $13,308,000 in 1985 and $10,374,000 in 1984.

Assets
(000's)

As of Dec. 31	1983	1982
Cash & short-term invest.	$ 17,023	$ 23,225
Market. securities	291,366	78,922
Accts. receiv., net	92,188	59,644
*Inventories	103,673	56,807
Current Assets	$ 504,250	$ 218,598
#Fixed assets	121,400	62,149
Assets of discont. oper.	4,433	29,478
Other assets	46,568	36,474
Intangibles	78,434	47,567
Def. debt exp.	15,134	5,889
Invest. in Jensen Ind.	—	7,549
Total Assets	$ 770,219	$ 407,704

Liabilities
(000's)

Long-term debt, curr.	$ 9,624	$ 7,167
Accts. payable	40,371	25,648
Accruals	43,816	36,694
Income taxes	3,396	4,507
Curr. Liabilities	$ 97,207	$ 74,016
Long-term debt	44,516	16,816
St. subord. deben.	246,533	—
Subord. deben.	137,757	137,579
Other liabilities	21,413	10,881
+Common stock	10,015	6,875
Add. paid-in capital	106,888	64,981
Retained earnings	72,512	55,752
Treasury stock	(958)	(265)
Deferred comp.	(10,664)	—
Total Liabilities & Shareholders' Equity	$ 770,219	$ 407,704

* At lower of cost (FIFO & LIFO) or market.
# Less accumulated depreciation and depletion.
+ $1 par value.

Nortek, Inc.

Statistical Summary

%Net Income to Equity	9.90	13.27
Sales to Inventories	5.92	7.35
Debt to Equity	2.47	1.27
Working Capital	$407,043,000	$144,582,000
Current Ratio	5.19	2.95
Shareholders' Equity	$177,793,000	$127,343,000

North American Philips Corporation

100 East 42nd Street
New York, New York 10017
(212) 697-3600

Officers: Cees Bruynes, chairman & president; Richard A. Daunoras, exec. v.p. & chief financial officer; Frank Hopkins, Edward Klein, Einar Kloster, Stephen C. Tumminello, exec. v.p.'s; Robert T. Cavanagh & Daniel F. Minahan, senior v.p.'s; Wallace E.J. Collins, vice president, secretary & general counsel; Charles F. Dransfield, Patrick J. Greaney, Albert A. Ruttner, Donald L. Hamilton, Charles E. Ferguson, John C. Messerschmitt, Larry J. French, Paul S. Friedlander, Bruce D. Bengston, Arthur J. Dojan, v.p.'s; Stanley I. Cundey, Jr., v.p. & treasurer; James S. Cole, v.p. & controller; William E. Curran, assistant treasurer; Joseph C. Miranda, asst. secretary; Ronald Phillips, Denis J. Riordan, Emil J. Misisco, James P. Mooney, John T. O. Rich, Lewis J. Shiolena, staff v.p.'s.

Directors: Edward J. Boling, Cees Bruynes, Joseph A. Rice, Fletcher L. Byrom, Frank Chapman, Robert G. Dettmer, Robert L. Newell, Pieter C. Vink, Hamilton B. Mitchell, Robert A. Powers, William M. Rees, Charles S. Minster, Jr.

Areas of Work: The Company is engaged in four basic areas: consumer products; electrical/electronic components; lighting products, and professional equipment. Products include Magnavox, Philco and Sylvania home entertainment products, Norelco electric razors and coffee makers, Philips lamps, medical systems, and electronic instruments, Genie garage door openers, Baker furniture, Ohmite resistors, and Dialight indicators, among others.

Divisions and Subsidiaries:

Advance Transformer Company
2950 North Western Avenue
Chicago, Illinois 60618
Ballasts for fluorescent and high intensity discharge lamps, dimming and control systems; power units for microwave cooking.

Amperex Electronic Corporation
Slatersville, Rhode Island
Electron tubes, electro-optical devices; semiconductors; integrated circuits; electronic components.

Consumer Products Divisions
Stamford, Connecticut
Norelco® electric shavers; hearing aids; personal care and home appliances; electrical housewares; tape recorders and blank cassettes; AKG® microphones and headphones; Norelco Service, Inc. for service, parts and accessories.

Dialight Corporation
100 East 42nd Street
New York, New York 10017
Indicator lights; switches, numeric readouts; LED devices.

Electrical Industries
691 Central Avenue
Murray Hill, New Jersey 07974
Hermetic glass-to-metal seals for component manufacturers; glass preforms; wire preforms; metal stampings, coined component parts; screw machine products.

N.A.P. Consumer Electronics Corp.
Knoxville, Tennessee
Manufactures home entertainment products including complete television-stereo consoles, radio-phonograph components and components systems, portable table and clock radios, tape recorders, cassette changers and accessories.

Magnavox Government and Industrial Electronics Company
1700 Magnavox Way
Fort Wayne, Indiana 46804
Engaged in the areas of defense communications, minicomputers and computer terminals, airborne submarine surveillance systems and position-location and navigation systems.

Airpax Corporation
Cheshire Industrial Park
Cheshire, Connecticut 06410
Electro-mechanical and electronic timing and control systems; timing, control and stepper motors; aircraft timing systems; microminiature and subminiature electro-mechanical and electronic relays.

North American Philips Lighting Corporation
Bloomfield, New Jersey
Mercury vapor lamps, sodium lighting products, reflector-type lamps, projection lamps for movies and slides, spotlights and floodlights; flashbulbs, miniature and sub-miniature lamps; sun lamps; heat lamps; household bulbs, fluorescent lamps; special discharge lamps, lighting fixtures.

Ohmite Manufacturing Company
3601 Howard Street
Skokie, Illinois 60076
Wirewound power resistors and rheostats; power tap switches, variable transformers; relays, solid state power controls and other components.

Philips Business Systems, Inc.
Woodbury, New York 11797
Dictation systems including desk, portable and pocket models; intercom equipment; pocket paging systems; office computers and peripherals.

Philips Electronic Instruments, Inc.
Mahwah, New Jersey 11797
Analytical instrumentation and systems, transmission electron microscopes; X-ray diffraction and spectrographic equipment; X-ray radiographic equipment; IRS, UV, VIS and AA spectrophotometers, liquid chromatographs; air and water pollution monitors; X-ray baggage inspection equipment; canning electron microscopy.

Mepcolcentralab, Inc.
West Palm Beach, Florida

Philips Laboratories
345 Scarborough Road
Briarcliff Manor, New York 10510
Research and development in electro-optics with related programs in solid state electronics and instrumentation.

American Color & Chemical Corporation
Charlotte, North Carolina

Anchor Brush Company, Inc.
Montgomery, Illinois

Baker, Knapp & Tubbs, Inc.
Chicago, Illinois

Philips ECG, Inc.
Seneca Falls, New York

The Selmer Company
Elkhart, Indiana

Magnavox CATV Systems, Inc.
Manlius, New York

Philips Medical Systems, Inc.
710 Bridgeport Avenue
Shelton, Connecticut 06484
Diagnostic and therapeutic X-ray systems for medical, dental, podiatry and veterinary applications; medical electronic systems; hospital planning and equipment and supplies consulting.

Kulka Smith, Inc.
Manasquan, New Jersey
Electronic components for electrical and electronic manufacturers; switches, plugs, mounting accessories, electronic educational kits.

Genie Home Products, Inc.
Akron, Ohio

Philips Home Interactive Systems, Inc.
Knoxville, Tennssee

Philips Subsystems & Peripherals, Inc.
New York, New York

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): New York

Ticker Symbol: NPH

Number of Employees:

1985	51,800	1982	45,823
1984	57,400	1981	49,021
1983	56,550		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 4,395,200	$ 81,500
1984	4,325,900	130,500
1983	3,799,825	95,712
1982	3,168,052	73,564
1981	3,030,044	78,518

	No. of Com. Shares ‡	Earn. per Share #
1985	28,900,000	$ 2.82
1984	28,800,000	4.53
1983	28,704,082	3.38
1982	27,702,856	2.66
1981	27,361,934	3.84

‡ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Consumer electronics	$ 1,253,600	$ 1,240,600
Elec. consumer prods.	907,200	903,600
Other consumer prods. & services	209,100	229,000
Electrical & electronic components	823,700	905,700
Professional equipment	1,201,600	1,047,000
Total	$ 4,395,200	$ 4,325,900

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	1.00	—	—
1983	0.85	—	2-for-1
1982	0.85	—	—
1981	0.85	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 1,050,600	$ 36.35
1984	986,800	34.30
1983	883,874	30.79
1982	783,512	28.28
1981	732,194	26.76

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 4,395,200	$ 4,325,900
Cost of sales	3,437,800	3,296,300
Expenses	759,300	764,100
Restructuring of oper.	27,000	—
Other expense (income)	(7,200)	1,300
Interest expense	67,100	59,500
Income before taxes	$ 111,200	$ 204,700
Income taxes	29,700	67,500
Dividend payable on stock of subsid.	—	6,700
Net Income	$ 81,500	$ 130,500

* Included in Costs and Expenses, Depreciation and Amortization: $98,000,000 in 1985 and $88,400,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 41,700	$ 48,700
Accts. & notes receiv., net	956,400	873,100
Deferred tax benefits	31,400	24,700
*Inventories	838,500	891,500
Prepaid expenses	28,100	23,400
Due from sub.	32,400	2,300
Current Assets	$ 1,928,500	$ 1,863,700
#Fixed assets	649,800	621,900
Other assets	64,700	32,000
Total Assets	$ 2,643,000	$ 2,517,600

Liabilities
(000's)

	1985	1984
Notes payable	$ 22,300	$ 29,700
Long-term debt, curr.	12,700	7,300
Accts. payable	200,500	171,800
Accruals & other liabilities	448,600	418,900
Dividends payable	7,200	7,200
Income taxes	1,300	23,100
Due to affiliates	78,800	73,900
Curr. Liabilities	$ 771,400	$ 731,900
Long-term debt	495,600	501,400
Interest in pref. stock of subsid.	212,000	212,000
Deferred income taxes	101,300	76,300
Other liabilities	12,100	9,200
+Common stock	150,900	150,400
Add. paid-in capital	103,200	99,700
Retained earnings	808,600	748,800
Treasury stock	12,100	12,100
Total Liabilities & Shareholders' Equity	$ 2,643,000	$ 2,517,600

* At lower of cost or market.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.53	4.73
%Net Income to Sales	1.85	3.01
%Net Income to Equity	7.76	13.22
Sales to Inventories	5.24	4.86
Debt to Equity	0.51	0.51
Working Capital	$ 1,157,100	$1,131,800,000
Current Ratio	2.50	2.55
Shareholders' Equity	$1,050,600,000	$ 986,800,000

North Atlantic Industries, Inc.

60 Plant Avenue
Hauppauge, New York 11788
(516) 582-6500

Officers: Malcolm D. Widenor, president; Walter Lipkin, sr. vice president and treasurer; Robert Carlson, v.p. & president-Military Products Division; Arthur Freilich, v.p.-instrument engineering; Jay S. Truesdell, v.p.-industrial relations; Michael McCrain, v.p. & controller; Brian Clare, v.p.-materials management; Dennis LaRock, v.p.-military products engineering; Eduardo Delgado, v.p.-military sales; Ken Salz, v.p.-instrument sales; Richard Barry, v.p.-printer product sales; Glen Harmon, v.p.-tape products sales.

Directors: Walter Lipkin, Malcolm D. Widenor, John D. May, Robert Rosenthal.

Areas of Work: Manufactures electronic instrumentation for the measurement of complex A.C. signals, manufactures computer peripherals, tape drives, printers, data storage system and angle position indicators.

Divisions and Subsidiaries:

Peripherals Division
Engaged in the production of peripheral computer equipment. Products include streaming tape drives, printers, Tempest printers, tape loaders, and data storage systems.

Instrument Division
Instrument products include specialized analog/digital signal processing equipment used for measurement test, control and maintenance in the aerospace, military and commercial avionic markets.

Military Products Division
Designs, develops and markets militarized computer peripherals.

Transfer Agent(s):

The American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NATL (NASDAQ)

Number of Employees:

1985	467	1982	395
1984	N.A.	1981	395
1983	N.A.		

N.A. - Not Available.

Plant Footage:

1985	138,000 sq. ft.	1982	91,000
1984	139,600	1981	91,000
1983	91,000		

Sales and Earnings

	Net Sales	Net Income
1984	$ 26,198,000	$ 1,379,000
1983	27,133,000	2,386,000
1982	22,684,000	1,453,000
1981	18,260,000	779,000
1980	13,829,000	(179,000)

	No. of Com. Shares +	Earn. per Share +
1984	3,489,000	$ 0.40
1983	3,254,000	0.73
1982	2,717,000	0.53
1981	2,727,000	0.29
1980	2,681,000	—

(Loss)
+ Based on the average number of common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	50%	—
1982	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share +
1984	$ 15,089,000	$ 4.32
1983	13,545,000	4.16
1982	5,727,000	2.11
1981	4,162,000	1.53
1980	3,380,000	1.26

+ Based on the average number of common shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended	12/29/84	12/31/83
Net sales	$ 26,198,000	$ 27,133,000
Cost of sales	15,561,000	14,621,000
Expenses	7,982,000	8,510,000
Interest income	(309,000)	(311,000)
Interest expense	244,000	288,000
Equity in loss of unconsol. affil.	600,000	—
Income before taxes	$ 2,120,000	$ 4,025,000
Income taxes	741,000	1,639,000
Net Income	$ 1,379,000	$ 2,386,000

* Included in Costs and Expenses, Depreciation and Amortization: $653,000 in 1984 and $470,000 in 1983.

Assets

As of	12/29/84	12/31/83
Cash	$ 364,000	$ 5,881,000
Marketable securities	—	701,000
Accts. receiv., net	4,114,000	3,556,000
Income taxes	480,000	—
*Inventories	9,002,000	4,587,000
Deferred inc. taxes	—	281,000
Other assets	167,000	173,000
Current Assets	$ 14,127,000	$ 15,179,000
#Fixed assets	6,439,000	3,904,000
Investments	323,000	—
Other assets & deposits	53,000	129,000
Total Assets	$ 20,942,000	$ 19,212,000

Liabilities

	12/29/84	12/31/83
Long-term debt, curr.	$ 297,000	$ 349,000
Accts. payable	1,837,000	1,098,000
Accrued payroll & commissions	351,000	239,000
Accrued pension expense	100,000	123,000
Other accruals	557,000	816,000
Inc. taxes payable	—	483,000
Deferred income taxes	245,000	—
Curr. Liabilities	$ 3,387,000	$ 3,108,000
Long-term debt	2,067,000	2,266,000
Def. income taxes	399,000	293,000
+Common stock	340,000	338,000
Add. paid-in capital	6,817,000	6,654,000
Retained earnings	7,932,000	6,553,000
Total Liabilities & Shareholders' Equity	$ 20,942,000	$ 19,212,000

* At lower of cost or market (LIFO).
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.09	14.83
%Net Income to Sales	5.26	8.79
%Net Income to Equity	9.14	17.62
Sales to Inventories	2.91	5.92
Debt to Equity	0.16	0.19
Working Capital	$10,740,000	$12,071,000
Current Ratio	4.17	4.88
Shareholders' Equity	$15,089,000	$13,545,000

North Hills Electronics, Inc.

1 Alexander Place
Glen Cove, New York 11542
(516) 671-5700

Officers: Leo Staschover, chairman & chief exec. officer; Howard G. Anders, president, chief oper./financial officer & treasurer; Michael T. Pappas, v.p.; Jack E. Israeloff, secretary.

Directors: Leo Staschover, Jack E. Israeloff, Michael T. Pappas, Howard G. Anders, Joe P. Schindler.

Areas of Work: Engaged in the design, development, manufacture and sale of high voltage and high current electronic power products and sources, microwave transmitting and receiving equipment, and component integration and wideband signal processing devices.

Divisions:

Communications Products Division
Power Products Division
Specialty Products Division

Subsidiary:

Displex, Inc.
Markets uninterruptible power supplies and a series of power line conditioners.

Transfer Agent(s):

Manufacturers Hanover Trust Company
P.O. Box 24935
Church Street Station
New York, New York 10249

North Hills Electronics, Inc.

Stock Exchange(s): Over-the-Counter

Ticker Symbol: NOHL (NASDAQ)

Number of Employees:

1986	95	1983	80
1985	95	1982	56
1984	83		

Plant Footage:

1986	24,000 sq. ft.	1983	19,000
1985	24,000	1982	19,000
1984	24,000		

Sales and Earnings

	Net Sales	Net Income
1986	$ 3,063,432	$ (844,870)
1985	5,048,640	544,512
1984	4,210,485	622,276
1983	3,384,232	438,795
1982	2,216,580	216,483

	No. of Com. Shares +	Earn. per Share #
1986	2,654,412	$ —
1985	2,625,186	0.20
1984	2,614,686	0.24
1983	1,975,368	0.21
1982	1,975,368	0.11

+ Adjusted to reflect stock splits.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	—
1984	—	—	3-for-2 & 2-for-1
1983	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1986	$ 6,301,699	$ 2.37
1985	7,074,442	2.69
1984	6,495,080	2.48
1983	1,593,110	0.81
1982	1,143,646	0.58

+ Adjusted to reflect stock splits.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 3,063,432	$ 5,048,640
Cost of sales	2,116,547	2,462,599
Expenses	2,828,577	2,135,525
Other income	(276,261)	(418,856)
Interest expense	145,405	40,045
Inc. (loss) bef. taxes	$ (1,750,836)	$ 829,327
Income taxes (credit)	(905,966)	284,815
Net Income (Loss)	$ (844,870)	$ 544,512

* Included in Costs and Expenses, Depreciation and Amortization: $321,585 in 1986 and $278,668 in 1985

Assets

As of Jan. 31	1986	1985
Cash	$ 1,651,860	$ 3,283,839
Accts. receiv., net	433,458	989,841
*Inventories	1,907,418	2,208,565
Refundable income taxes	921,973	70,583
Notes receivable	495,445	—
Prepaid expenses	160,565	49,750
Current Assets	$ 5,570,719	$ 6,602,578
#Fixed assets	2,061,715	1,433,969
Bond proceeds	242,098	879,038
Goodwill	494,560	524,024
Other assets	343,646	254,018
Total Assets	$ 8,712,738	$ 9,693,627

Liabilities

Long-term debt, curr.	$ 159,644	$ 92,322
Notes payable	220,000	—
Accts. payable	140,915	245,994
Accruals	232,930	462,779
Curr. Liabilities	$ 753,489	$ 801,095
Long-term debt	1,603,034	1,762,678
Deferred inc. taxes	54,516	55,412
+Common stock	26,544	26,252
Add. paid-in capital	4,622,500	4,550,665
Retained earnings	1,652,655	2,497,525
Total Liabilities & Shareholders' Equity	$ 8,712,738	$ 9,693,627

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	16.42
%Net Income to Sales	—	10.78
%Net Income to Equity	—	7.69
Sales to Inventories	1.61	2.28
Debt to Equity	0.31	0.26
Working Capital	$4,817,230	$5,801,483
Current Ratio	7.39	8.24
Shareholders' Equity	$6,301,699	$7,074,442

Northern Telecom Limited

33 City Centre Drive
Mississauga, Ontario L5B 3A2
Canada
(416) 275-0960

Officers: Edmund B. Fitzgerald, chairman & chief executive officer; David G. Vice, president; Walter C. Benger, exec. v.p.-marketing & corp. relations; Donald A. Chisholm, exec. v.p.-technology & innovation; Donald A. Noble, exec. v.p.-finance & administration; Clive V. Allen, sr. v.p.-general counsel; J. Derek M. Davies, sr. v.p.-business development; Robenrt Kenecki, v.p.-product line planning; John P. Strimas, v.p.-corp. relations; L.C. Beaumont, sr. v.p.-product line planning; C. Denis Hall, sr. v.p.-technology; Philip T. Erickson, v.p.-patents & licenses; John D. MacDonald, v.p.-operations manufacturing; R. Brian O'Regan, v.p.-public affairs; Edward J. Pillman, v.p.-business systems; John E. Ellsworth, v.p.-human resources; Hugh A. Hamilton, v.p.; Bruce H. Tavner, v.p.; David W. Kendall, Jr., v.p. & treasurer; Anthony J. Lafleur, secretary.

Directors: Ian A. Barclay, William O. Beers, Owen B. Butler, A. Jean de Grandpré*, Edmund B. Fitzgerald*, Donald S. Harvie, Robert S. Hurlbut*, Walter F. Light*, John H. Moore*, Paul F. Oreffice, Charles Perrault*, Gérard Plourde, O.C.*, Robert J. Richardson*, Walter M. Robinson, Jr., Donald J. Schuenke, Robert C. Scrivener, William M. Sobey, E. Peter Loughaed, Bowie K. Kuhn, David G. Vice*.

* Member of the Executive Committee.

Areas of Work: Electromechanical and electronic analog and digital switching systems; cable systems; optoelectronic systems; channel banks; repeaters; fuses; relays; dryreed relays; power equipment; printed-circuit boards and packs; step-by-step switching systems; sheet metal and piece parts; networks and sensors; residential and business telephones and components; electronic equipment and test sets; analog and digital transmission equipment; multiplex, voice frequency and radio equipment; capacitors, protectors; custom large-scale-integrated circuits; distributed data processing terminals and systems, disks and disk storage devices, video displays, printers, magnetic tape drives, software development, printed circuit boards, on-line terminal systems, remote batch and multi-function terminal systems; private switching networks; test equipment, data communications diagnostic systems, analog and digital private branch exchanges.

Divisions and Subsidiaries:

Bell-Northern Research Ltd.
3500 Carling Avenue
Ottawa, Ontario K2H 8E9
Canada
(613) 726-2211

BNR Inc.
685A East Middlefield Road
Mountain View, California 94043
(415) 969-9170

Netas-Northern Electric
Telekomünikasyon A.S.
Alemdag Caddesi
Ümraniye, Usküdar
Istanbul, Turkey

Northern Telecom Data Systems Limited
Maylands Avenue
Hemel Hempstead
Hertfordshire, England HP2 7LD

Northern Telecom AG
Drahtzugstrasse 18
8008 Zurich, Switzerland

Northern Telecom (Asia) Limited
Keck Seng Tower
133 Cecil Street #15-01
Singapore 0106

Northern Telecom (CALA) Corporation
14701 N.W. 77th Avenue
Miami Lakes, Florida 33014
(305) 558-4858

Northern Telecom Canada Limited
304 The East Mall
Islington, Ontario M9B 6E4
Canada
(416) 232-2000

Northern Telecom Electronics Ltd.
33 City Centre Drive
Mississauga, Ontario L5B 3A2

Northern Telecom Finance Corporation
Northern Telecom Plaza
220 Athens Way
Nashville, Tennessee

Northern Telecom Inc.
Northern Telecom Plaza
220 Athens Way
Nashville, Tennessee 37228
(615) 734-4000

Northern Telecom (France) S.A.
185 Avenue Charles-de-Gaulle
F-92200 Neuilly-sur-Seine
France

Northern Telecom Industries Sdn. Bhd.
Bayan Lepas
Free Trade Zone,
Penang, West Malaysia

Northern Telecom plc
Berkeley Square House
Berkeley Square
London W1X 5LB
England

Northern Telecom (Ireland) Limited
Industrial Estate
Galway, Republic of Ireland

Northern Telecom International Limited
33 City Centre Drive
Mississauga, Ontario L5B 3A2
Canada
(416) 275-0960

Northern Telecom International Finance B.V.
Daalmeerstraat 4
2131 HC, Hoofddorp
Hoofddorp, The Netherlands

Northern Telecom Japan Inc.
San Miyanuga Building
5-12 Moto-Akasaka
1-Chome, Minato-Ku
Tokyo-107 Japan

Northern Telecom (NEA) Limited
Kidwells Park House
Kidwells Park Drive
Maidenhead Berkshire, England
SL6 8BE

Northern Telecom Pacific
Oak Minami Azabu Building
19-23 Minami Azabu
3-chome, Minato-ku
Tokyo 106, Japan

Transfer Agent(s):

Corporate Offices
800 Place Victoria, Suite 250
Montreal, Quebec, Canada
H4Z IAZ

Corporate Offices
483 Bay Street
Floor 2, South Tower
Toronto, Ontario, Canada
M5G ZEI

Montreal Trust Company
Halifax, Winnipeg, Regina, Calgary & Vancouver, Canada

Manufacturers Hanover Trust Company
New York, New York

Continental Illinois National Bank and Trust Company of Chicago
Chicago, Illinois

The Royal Trust Company
London, England

Stock Exchange(s): Montreal, New York, Toronto, Vancouver, London (U.K.)

Ticker Symbol: NT (New York), NTL (Montreal, Toronto, Vancouver)

Number of Employees:

1985	46,549	1982	34,449
1984	46,993	1981	35,444
1983	39,318		

Plant Footage:

1985	8,423,000 sq. ft.	1983	8,090,000
1984	8,085,000		

Sales and Earnings

	Net Sales (000's)	Net Income ‡ (000's)
1985	$ 5,818,500	$ 376,900
1984	4,378,600	317,500
1983	3,304,000	268,400
1982	3,035,500	139,400
1981	2,570,875	129,200

	No. of Com. Shares +	Earn. per Share + ‡
1985	116,011,447	$ 3.25
1984	115,000,454	2.76
1983	110,926,011	2.42
1982	105,492,399	1.32
1981	103,885,632	1.24

+ Based on the average number of shares outstanding adjusted to reflect stock split.
‡ Including extraordinary gains of $41,300,000 ($0.37 per share) in 1983, $7,000,000 ($0.06 per share) in 1982 and $16,000,000 ($0.15 per share) in 1981.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.50	—	—
1984	0.40	—	—
1983	0.40	—	3-for-1
1982	0.33	—	—
1981	0.33	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$2,258,600,000†	$ 19.47
1984	1,822,000,000	15.84
1983	1,465,500,000	13.21
1982	1,005,500,000	9.53
1981	851,800,000	8.20

† After allowing for preferred stock at redemption value.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 5,818,500	$ 4,378,600
Cost of sales	3,695,700	2,691,100
Expenses	1,543,400	1,213,100
Other income	(24,500)	(21,300)
Interest expense	71,400	66,800
Unrealized currency gains	(7,300)	(600)
Eq. in earn. of subsid.	(54,300)	(61,500)
Income before taxes	$ 594,100	$ 491,000
Income taxes	182,700	157,100
Net Income	$ 411,400	$ 333,900

* Included in Costs and Expenses, Depreciation and Amortization: $280,500,000 in 1985 and $233,200,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 114,400	$ 94,900
Accts. receiv., net	1,406,900	1,119,200
*Inventories	1,090,700	1,144,500
Prepaid expenses	23,400	20,800
Current Assets	$ 2,635,400	$ 2,379,400
Long-term receiv.	22,400	34,300
Investments	725,000	493,900
#Fixed assets	1,489,000	1,145,300
Other assets	6,200	6,800
Total Assets	$ 4,878,000	$ 4,059,700

Liabilities
(000's)

Notes payable	$ 43,500	$ 117,900
Long-term debt, curr.	5,600	4,900
Accts. payable	1,147,200	1,032,900
Income taxes	9,700	50,000
Due to non-consol. subsid.	—	13,800
Res. investment contracts due	11,000	24,300
Deferred income taxes	113,800	—
Current Liabilities	$ 1,330,800	$ 1,243,800
Long-term debt	150,500	132,500
Non-consolid. subsid.	443,700	283,400
Research invest. contr.	—	11,200
Minority interest	22,700	18,100
Deferred income	4,000	5,500
Deferred inc. taxes	179,700	155,200
Redeem. pref. stock	388,000	388,000
+ Preferred stock - Class A Series 4	100,000	—
+ Common stock	844,200	797,800
Retained earnings	1,250,000	933,000
For. exch. adjust.	164,400	91,200
Total Liabilities & Shareholders' Equity	$ 4,878,000	$ 4,059,700

* At lower of cost (FIFO) and net realizable value.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	10.21	11.21
% Net Income to Sales	7.07	7.63
% Net Income to Equity	17.44	18.33
Sales to Inventories	5.33	3.83
Debt to Equity	0.08	0.14
Working Capital	$1,304,600,000	$1,141,900,000
Current Ratio	1.98	1.92
Shareholders' Equity	$2,358,600,000	$1,822,000,000

Northrop Corporation

1840 Century Park East
Century City
Los Angeles, California 90067-2199
(213) 553-6262

Officers: Thomas V. Jones, chairman of the board & chief executive officer; Frank W. Lynch, president & chief operating officer; John B. Campbell, v.p. & controller; Jaime Oaxaca, v.p. & president-Wilcox Electric, Inc.; Les Daly, v.p.-public affairs; Stanley Ebner, sr. v.p.-government relations; William M. Elliott, sr. v.p. & general counsel; David N. Ferguson, group v.p.-Electronics Systems Group; Joseph T. Gallagher, v.p. & gen. mgr.-Aircraft Division; Welko E. Gasich, exec. v.p.-programs management; C. Robert Gates, v.p.-international; Sheila M. Gibbons, v.p. & secretary; Gene W. Hauser, v.p. & gen. mgr.-Electronics Division; L. Bruce James, v.p. & gen. mgr.-Ventura Division; Kent Kresa, group v.p.-Aircraft Group; Richard B. Lohrer, treasurer; Rex H. Madeira, v.p. and chief executive officer and president, Northrop Worlwide Aircraft Services Inc.; Fred J. Manzella, v.p. & gen. mgr.-Aircraft Services Division; William G. McGagh, sr. v.p.-finance; J. William Jenkins, v.p. & president-Northrop Services, Inc.; John R. Moore, v.p. & gen. mgr.-Electro-Mechanical Division; Ross F. Miller, group v.p.-services group; John Patierno, v.p. & gen. mgr.-Advanced Systems Division; John J. Richardson, v.p.-human resources; Wallace C. Solberg, v.p. & gen. mgr.-Defense Systems Division; Joseph Yamron, v.p. & gen. mgr.-Precision Products Division.

Directors: Thomas V. Jones, chairman; William F. Ballhaus*, Richard J. Flamson, III, Ivan A. Getting*, Earle M. Jorgensen, Tom Killefer*, O. Meredith Wilson*, Richard E. Horner, Charles W. Robinson, George T. Scharffenberger, Frank W. Lynch, William G. McCagh, Robert L.J. Long*, Howard P. Allen.

* Member of the Executive Committee.

Divisions:

Aircraft Division
One Northrop Avenue
Hawthorne, California 90250
Aircraft research, development and manufacturing.

Aircraft Services Division
1515 West 190th Street
Gardena, California 90248
Aircraft services, support and training.

Advanced Systems Division
8900 E. Washington Boulevard
Pico Rivera, California 90660-3737
Research and development of the USAF Advanced Technology Bomber.

Defense Systems Division
600 Hicks Road
Rolling Meadows, Illinois 60008
Military electronic warfare systems.

Precision Products Division
100 Morse Street
Norwood, Massachusetts 02062
Gyroscopes, accelerometers, and inertial guidance and control systems.

Electronics Division
2301 West 120th Street
Hawthorne, California 90250
Electronics research, development, and manufacturing.

Ventura Division
1515 Rancho Conejo Boulevard
Newbury Park, California 91320
Unmanned aircraft and aircraft sub-assemblies.

Electro-Mechanical Division
500 East Orangethorpe Avenue
Anaheim, California 92801
Electronic/passive sensor systems.

Northrop Research and Technology Center
One Research Park
Rancho Palos Verdes, California 90274
Advanced technology research programs.

Subsidiaries:

Northrop Services, Inc.
108 Powers Court
Sterling, Virginia 22170
Managerial and technical support services.

Northrop Corporation

Northrop Worldwide Aircraft Services, Inc.
21 Northwest 44th Street
Lawton, Oklahoma 73505
Aircraft maintenance and base support services.

Wilcox Electric, Inc.
2001 North East 4[illegible] Street
Kansas City, Missouri 64116
Ground-based air navigation and instrument landing systems.

Construcciones Aeronauticas, S.A. (casa) (13.3% owned)
Calle del Rey Francisco, 4, Apartado 193
Madrid, 28008, Spain
Military and commercial aircraft development and manufacturing.

Electronica Basica, S.A. (5.2% owned)
Carretera Nal., 2, KM 583'8 Esparraguera
Barcelona, Spain
Printed circuit boards.

N.V. Koninklijke Nederlandse Vliegtuigenfabriek
Fokker (19.8% owned)
P.O. Box 12222
1100 AE, Amsterdam-Zuidoost
The Netherlands
Commercial and military aircraft development and manufacturing.

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: NOC

Number of Employees:

1985	46,900	1982	35,500
1984	41,500	1981	31,400
1983	37,200		

Plant Footage*:

1985	17,100,000 sq.ft.	1982	14,278,000
1984	15,800,000	1981	12,839,000
1983	14,600,000		

* Includes U.S. Government-owned facilities used by Northrop Corporation.

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 5,056,600	$ 214,400
1984	3,687,800	166,900
1983	3,260,600	100,700
1982	2,472,900	5,400
1981	1,990,700	47,900

	No. of Com. Shares #	Earn. per Share #
1985	46,300,000	$ 4.63
1984	45,900,000	3.63
1983	45,600,000	2.21
1982	45,300,000	0.12
1981	43,400,000	1.10

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Aircraft	$ 3,885,800	$ 2,562,100
Electronics/ Communications	938,300	758,500
Services	400,900	422,000
Interseg. elim.	(113,000)	(56,500)
Total	$ 5,112,000	$ 3,686,100

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	0.90	—	3-for-1
1983	0.60	—	—
1982	0.60	—	—
1981	0.60	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 899,000,000	$ 19.42
1984	724,800,000	15.79
1983	576,900,000	12.65
1982	493,900,000	10.90
1981	507,000,000	11.68

+ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 5,056,600	$ 3,687,800
Cost of sales	4,748,800	3,444,400
Other income	(7,700)	(6,100)
Interest expense	17,400	7,500
Claim settlement	(50,000)	—
Income bef. taxes	$ 348,100	$ 242,000
Income taxes	133,700	75,100
Net Income	$ 214,400	$ 166,900

* Included in Costs and Expenses, Depreciation and Amortization: $193,400,000 in 1985 and $138,100,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cash items	$ 7,100	$ 3,700
Accts. receiv., net	492,800	306,700
*Inventories	405,900	418,000
Prepaid expenses	24,900	15,000
Current Assets	$ 930,700	$ 743,400
Investments	31,200	22,700
#Fixed assets	1,351,300	1,171,000
Other assets	19,500	19,400
Total Assets	$ 2,332,700	$ 1,956,500

Liabilities
(000's)

Notes payable	$ 164,000	$ 43,400
Accts. payable	310,900	233,700
Adv. on contracts	44,100	187,000
Accrued compensation	165,800	149,900
Income taxes	495,500	356,800
Other liabilities	163,800	175,100
Curr. Liabilities	$ 1,344,100	$ 1,145,900
Long-term obligations	38,300	39,400
Deferred inc. taxes & credits	51,300	46,400
+ Common stock	161,600	150,700
Retained earnings	755,500	596,700
Unvested employee restricted shares	(18,100)	(22,600)
Total Liabilities & Shareholders' Equity	$ 2,332,700	$ 1,956,500

* At lower of average cost or market.
# Less accumulated depreciation & amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	6.88	6.56
%Net Income to Sales	4.24	4.53
%Net Income to Equity	23.85	23.03
Debt to Equity	0.23	0.11
Shareholders' Equity	$899,000,000	$724,800,000

Nuclear Data, Inc.

Hamilton Lakes Office Park
500 Park Boulevard
Itasca, Illinois 60143
(312) 773-0200

Officers: Richard J. Sandberg, president and chief executive officer; Harold E. Tellefsen, senior vice president; Gerald W. Gaughran, v.p.-engineering; C. Stewart Havens, v.p.-finance, secretary and treasurer; Raymond C. Master, Loren G. Pieper, Albert E. Puhlman, Jr., v.p.'s.

Directors: Richard J. Sandberg, Harold E. Tellesfsen, James A. Lynch, George K. Hendrick, Jr., C. Stewart Havens.

Areas of Work: Manufactures and markets computer systems for the identification and quantification of nuclear radiation and related phenomena. Provides consulting services and mechanical and electronic systems for the nuclear power industry. Also produces printed circuit boards, for use in business machines, instrumentation, and communications.

Divisions and Subsidiaries:

Metropolitan Circuits Incorporated, of California
Santa Ana, California 92626
Manufactures and markets printed circuit boards.

Nuclear Data Power Division
2734 S. Cobb Industrial Blvd.
Smyrna, Georgia 30080
Nuclear instrumentation and consulting company.

Metropolitan Circuits Incorporated, of Illinois
2706 Edgington Street
Franklin Park, Illinois 60131
Manufactures and markets printed circuit boards.

Nuclear Data Instrumentation ND
Frankfurt, West Germany
Sales and service subsidiary.

Nuclear Data (U.K.)
Bourne End, England
Sales and service branch office.

Nuclear Data Instruments AB
Uppsala, Sweden
Marketing subsidiary.

Nuclear Data Instrumentation Division
Schaumburg, Illinois
Design, manufacture and marketing of computer-based multi-channel analyzers used in nuclear physics.

Molsgaard Medical AS
Copenhagen, Denmark
Diagnostic instruments incorporating nuclear technology.

ASTA/Advanced Science & Technology Associates
San Diego, California
Management consulting services.

Transfer Agent(s):

LaSalle National Bank
135 South LaSalle Street
Chicago, Illinois 60603

Stock Exchange(s): American

Ticker Symbol: NDI

Number of Employees:

1985	N.A.	1982	725
1984	794	1981	767
1983	675		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1986	$ 52,778,000	$ (1,590,000)
1985	65,272,000	1,926,000
1984	45,172,000	(2,182,000)
1983	46,686,000	(994,000)
1982	47,501,000	2,252,000

	No. of Com. Shares #	Earn. per Share #‡
1986	1,856,000	$ —
1985	2,015,000	0.96

1984	1,702,000	—
1983	1,695,000	—
1982	1,697,000	1.33

(Loss)
‡ Including extraordinary credit of $1,000,000 ($0.59 per share) in '982.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1986	1985
Printed circuit boards	$ 25,822,000	$ 38,862,000
Instrumentation	26,956,000	26,410,000
Total	$ 52,778,000	$ 65,272,000

Common Stock Equity

	Total Equity	Equity Per Share #
1986	$ 15,552,000	$ 8.38
1985	17,703,000	8.79
1984	14,320,000	8.41
1983	16,450,000	9.71
1982	17,384,000	10.24

Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended Feb. 28	1986	1985
Net sales	$ 52,778,000	$ 65,272,000
Other income	3,078,000	2,447,000
Total Income	$ 55,856,000	$ 67,719,000
Cost of sales	39,109,000	44,858,000
Expenses	16,667,000	16,240,000
Research & develop.	2,130,000	1,898,000
Interest expense	1,045,000	1,305,000
Provision for losses	—	316,000
Income (loss) bef. taxes	$ (3,105,000)	$ 3,102,000
Income taxes (credit)	(1,515,000)	1,176,000
Net Income (Loss)	$ (1,590,000)	$ 1,926,000

* Included in Costs and Expenses, Depreciation, and Amortization: $2,008,000 in 1986 and $1,731,000 in 1985.

Assets

As of Feb. 28	1986	1985
Cash	$ 119,000	$ 2,164,000
Recov. inc. taxes	366,000	527,000
Accts. receiv., net	14,315,000	16,404,000
*Inventories	6,223,000	7,464,000
Prepaid expenses & sundry accts.	1,653,000	1,331,000
Current assets	$ 22,676,000	$ 27,890,000
#Fixed assets	9,711,000	9,765,000
Other assets	4,885,000	4,528,000
Total Assets	$ 37,272,000	$ 42,183,000

Liabilities

Note payable	$ 734,000	$ 68,000
Long-term debt, curr	278,000	1,073,000
Accts. payable	4,698,000	5,109,000
Accruals	4,165,000	4,440,000
Deferred income taxes	—	538,000
Curr. Liabilties	$ 9,875,000	$ 11,228,000
Long-term debt	11,243,000	11,798,000
Capital lease oblig.	64,000	125,000
Deferred inc. taxes	287,000	1,329,000
Redeem. common stock	251,000	—
+ Common stock	1,006,000	981,000
Add. paid-in capital	10,818,000	10,600,000
Treasury stock	(1,167,000)	(130,000)
Retained earnings	5,195,000	6,785,000
Deferred compensation	(386,000)	(466,000)
Translation adj.	86,000	(67,000)
Total Liabilities & Shareholders' Equity	$ 37,272,000	$ 42,183,000

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.75
%Net Income to Sales	—	2.95
% Net Income to Equity	—	10.88
Sales to Inventories	8.48	8.74
Debt to Equity	0.79	0.74
Working Capital	$12,801,000	$16,662,000
Current Ratio	2.30	2.48
Shareholders' Equity	$15,552,000	$17,703,000

Oak Industries Inc.

16935 West Bernardo Drive
Rancho Bernardo, California 92127
(714) 485-9300

Officers: E.L. McNeely, chairman of the board & chief exec. officer; K. Sami Khadder, v.p.-corp. devel.; Walter H. Kerr, sr. v.p.-components; Bissell J. Smith, sr. v.p.-materials; Monty A. Houdeshell, chief financial officer; v.p.-finance, treasurer & controller; Scott A. Larson, v.p.-human resources; S. James Miller, Jr., v.p., asst. secretary & gen. counsel; E. Jeanne Hamm, secretary.

Directors: E.L. McNeely, chairman; Franklin A. Cole*, James F. Calvert*, Lawrence H. Rogers, II, Bernard Schwartz, Roderick M. Hills*.

* Member of the Executive Committee.

Areas of Work: Manufactures and markets controls and components for gas and electric appliances, low power rotary and other switches, and quartz crystal oscillators, filters and frequency control units used in consumer, industrial and military products; produces communications equipment for use in cable television systems and satellite television systems.

Divisions and Subsidiaries:

Oak Technology Inc.
Crystal Lake, Illinois

Oak Switch Systems Inc.
Crystal Lake, Illinois 60014
Low power rotary, pushbutton, keyboard, membrane and lever switches.

McCoy Electronics Company
Mt. Holly Springs, Pennsylvania 17065
High-frequency and low-frequency crystals, crystal filters, oscillators and related devices for frequency control and selection.

O/E/N India Limited (45% owned)
Cochin, Kerala, India
Switches, relays and potentiometers.

Oak Materials Taiwan Ltd. (70% owned)
Taipei, Taiwan, Republic of China

Harper-Wyman Company
Hinsdale, Sterling & Princeton, Illinois
Gas controls and components; electric range controls, gas grills.

Diamond H. Controls Ltd.
Volcan Road North
Norwich, NOR 85N
Norfolk, England
Thermostats; energy regulators; thermal switches; relays, time delay units and solenoids, rotary and toggle switches; snap-in-devices, rotary, lever, moduline switches; indicator lights, electronic temperature and process controls.

Oak Communications Inc.
Rancho Bernardo, California

Oak Broadcasting Systems, Inc. (50% owned)
Glendale, California

Oak East Industries Ltd.
Taipei, Taiwan, Republic of China
Manufactures pay-television decoders and cable television converters.

Oak Technology Center
Rancho Bernardo, California

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest

Ticker Symbol: OAK

Number of Employees:

1985	5,286	1982	11,985
1984	8,489	1981	13,529
1983	9,514		

N.A. - Not Available.

1985	722,900 sq. ft.	1982	2,600,000
1984	2,095,904	1981	2,600,000
1983	N.A.		

Sales and Earnings

	Net Sales	Net Income
1985	$ 284,257,000	$ (37,576,000)
1984	333,244,000	(149,250,000)
1983	320,172,000	(122,113,000)
1982	397,001,000	(39,897,000)
1981	385,592,000	30,350,000

	No. of Com. Shares #	Earn. per Share #
1985	24,442,085	$ —
1984	16,356,657	—
1983	16,334,842	—
1982	16,287,116	—
1981	13,584,256	2.23

(Loss)
Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	0.06	—	—
1982	0.24	—	—
1981	0.24	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity †	Equity Per Share ‡
1985	$ (70,133,000)	$ —
1984	(59,183,000)	—
1983	84,956,000	5.20
1982	208,552,000	12.80
1981	260,465,000	19.17

(Deficiency)
† After allowing for preferred stock at redemption value of $25 per share for Series C.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 284,257	$ 333,244
Cost of sales	223,216	256,650
Expenses	63,648	88,110
Prov. for restruc.	—	49,352
Interest expense	31,052	31,193
Interest income	(2,003)	(2,928)
Other expense	1,272	215
Loss before taxes	$ (32,928)	$ (89,348)
Income taxes	4,648	6,176
Loss - cont. oper.	$ (37,576)	$ (95,524)
Loss - discont. oper.	—	(53,726)
Net Loss	$ (37,576)	$ (149,250)

* Included in Costs and Expenses, Depreciation and Amortization: $16,512,000 in 1985 and $22,643,000 in 1984.

Oak Industries Inc.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 11,720	$ 6,836
Marketable securities	24,742	8,977
Receiv., net	46,069	56,154
*Inventories	63,290	75,487
Current Assets	$ 145,821	$ 147,454
Investments	6,202	9,177
#Fixed assets	77,601	91,195
Notes receiv.	6,800	6,818
Prepaid exp. & other assets	7,025	7,203
Cert. of deposit	5,001	3,867
Patents	4,883	3,881
Total Assets	$ 253,333	$ 269,595

Liabilities

	1985	1984
Notes payable	$ 307	$ 1,952
Long-term debt, curr.	1,437	2,069
Accts. payable	15,818	22,157
Accruals	44,821	73,836
Curr. Liabilities	$ 62,383	$ 100,024
Long-term debt	231,282	224,816
Liab. (assets) of discont. oper.	9,676	(15,476)
Minority interest	5,260	2,444
Deferred compensation & accrued pensions	10,870	9,774
Deferred inc. taxes	1,987	540
Accrued interest	1,653	6,425
Other liabilities	153	25
+ Preferred stock Series C	40	41
+ + Common stock	33,902	16,448
Add. paid-in capital	168,514	159,885
Retained earnings (deficit)	(264,014)	(226,438)
Cum. trans. adjust.	(7,727)	(7,651)
Notes receiv. - stock sale	(623)	(1,236)
Treasury stock	(23)	(26)
Total Liabilities & Shareholders' Equity	$ 253,333	$ 269,595

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 stated value; cumulative convertible.
+ + $1 par value.

Statistical Summary

	1985	1984
Sales to Inventories	4.49	4.41
Working Capital	$83,438,000	$47,430,000
Current Ratio	2.34	1.47
Shareholders' Equity (Deficiency)	$(69,931,000)	$(58,977,000)

The Ohmart Corporation

4241 Allendorf Drive
P.O. Box 9026
Cincinnati, Ohio 45209
(513) 272-0131

Officers: Carl K. Gieringer, chairman of the board & president; Thomas E. Dewey, executive vice president; Lou Cook, v.p.; Paul Sieck, v.p.-manufacturing; James J. Guthrie, Jr., v.p.-sales & marketing; Syndor I. Davis, assistant secretary; Wm. G. Dorna, secretary & treasurer.

Directors: Nicholas Bauer, Carl F. Evert, Carl K. Gieringer, C. Ross Whiting, Lewis M. Crowe, Estelle Gieringer, Edward C. Pandorf, Thomas E. Dewey.

Areas of Work: Produces beta thickness gauges, conveyor scales, nuclear and electronic measuring devices used in process control.

Divisions and Subsidiaries:

WeighART Division
WebART Division
Instruments Division

Transfer Agent(s):

The First National Bank of Cincinnati
5th and Walnut Streets
Cincinnati, Ohio 45202

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	N.A.	1982	155
1984	150	1981	155
1983	155		

Plant Footage:

1985	N.A.	1982	61,000
1984	61,000 sq. ft.	1981	61,000
1983	61,000		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 8,472,523	$ 209,525
1984	8,377,473	391,189
1983	7,396,621	266,499
1982	8,194,923	517,140
1981	7,581,266	546,654

	No. of Com. Shares	Earn. per Share
1985	123,238	$ 1.70
1984	123,238	3.17
1983	123,238	2.16
1982	123,238	4.20
1981	123,238	4.44

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.50	—	—
1984	0.50	—	—
1983	0.40	—	—
1982	0.40	—	—
1981	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 4,745,008	$ 38.50
1984	4,597,102	37.30
1983	4,267,532	34.63
1982	4,050,328	32.87
1981	3,582,483	29.07

Income Account *

Year ended Nov. 30	1985	1984
Net sales	$ 8,472,523	$ 8,377,473
Other income	170,234	239,094
Total Income	$ 8,642,757	$ 8,616,567
Cost of sales	3,922,219	4,100,931
Expenses	4,517,932	3,776,978
Interest expense	33,081	64,469
Income before taxes	$ 169,525	$ 674,189
Income taxes(credit)	(40,000)	283,000
Net Income	$ 209,525	$ 391,189

* Included in Costs and Expenses, Depreciation and Amortization: $204,005 in 1985 and $225,668 and in 1984.

Assets

As of Nov. 30	1985	1984
Cash & temporary cash investments	$ 1,625,085	$ 1,091,854
Marketable secur.	312,086	465,279
Accts. receiv., net	1,315,665	1,511,301
*Inventories	1,412,142	1,898,096
Prepaid expenses	5,823	7,197
Refundable income taxes	208,775	—
Deferred inc. taxes	110,000	79,000
Current Assets	$ 4,989,576	$ 3,052,727
#Fixed assets	1,306,215	1,332,477
Other assets	20,378	31,680
Total Assets	$ 6,316,169	$ 6,416,884

Liabilities

	1985	1984
Long-term debt, curr.	$ 85,090	$ 82,436
Accts. payable	320,952	201,506
Accruals	595,818	517,134
Advance payments	222,072	286,627
Income taxes	—	365,759
Curr. Liabilities	$ 1,223,932	$ 1,453,462
Long-term debt	255,229	340,320
Deferred taxes	92,000	26,000
+ Common stock	146,568	146,568
Add. paid-in capital	283,574	283,574
Retained earnings	4,314,866	4,166,960
Total Liabilities & Shareholders' Equity	$ 6,316,169	$ 6,416,884

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

	1985	1984
% Income bef. Taxes to Sales	2.00	8.05
% Net Income to Sales	2.47	4.67
% Net Income to Equity	4.42	8.51
Sales to Inventories	6.00	4.41
Debt to Equity	0.07	0.07
Working Capital	$3,765,644	$3,599,265
Current Ratio	4.08	3.48
Shareholders' Equity	$4,745,008	$4,597,102

Optical Radiation Corporation

1300 Optical Drive
Azusa, California 91702
(818) 969-3344

Officers: Richard D. Wood, chairman of the board & president; John N. Wilkinson, group v.p.-industrial & scientific products & secretary; Horst Funfstuck, group v.p.-vision care products; R.J. McMullen, v.p.-finance & treasurer; Martin Levy, v.p.-legal & administration.

Directors: Richard D. Wood, chairman; John N. Wilkinson, Louis W. Biegler, Vernon H. Blackman, Roland Seidler, Jr., Frank D. Wood, Horst Funfstuck, William G. Salatich.

Areas of Work: Designs and manufactures a wide variety of precision optical components and optical systems for medical, industrial, and scientific applications. Products include ophthalmic lenses, optical projection systems, high-intensity light sources, and precision metal optics.

Divisions and Subsidiaries:

Omega Optical Co.
Precision Optics, Inc.
Milroy Optical, Inc.
Arizona State Optical, Inc.

Theater and Audio-Visual Division
Electroforming Division
IC100 Division
Electronic Products Division
Lamp Division
Opthalmic Surgical Products Division
Orcolite Division
Quality Assurance Division

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 60228
Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORCO (NASDAQ)

Number of Employees:

1985	1,565	1982	334
1984	585	1981	353
1983	474		

Plant Footage:

1985	504,000 sq. ft.	1982	161,000
1984	161,000	1981	161,000
1983	161,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 96,505,000	$ 12,476,000
1984	48,260,000	7,850,000
1983	26,656,177	3,086,154
1982	18,554,718	1,234,129
1981	17,234,809	1,514,686

	No. of Com. Shares #	Earn. per Share #
1985	8,330,000	$ 1.50
1984	7,496,000	1.05
1983	6,616,480	0.47
1982	5,870,852	0.21
1981	5,848,936	0.26

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1 & 2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 77,819,000	$ 9.83
1984	41,399,000	5.86
1983	31,528,255	4.59
1982	11,679,086	2.00
1981	10,437,042	1.79

‡ Adjusted to reflect stock splits.

Income Account *

Year ended July 31	1985	1984
Net sales	$ 96,505,000	$ 48,260,000
Cost of sales	48,138,000	18,490,000
Expenses	28,913,000	16,496,000
Interest income	(2,645,000)	(1,107,000)
Interest expense	589,000	150,000
Income before taxes	$ 21,510,000	$ 14,231,000
Income taxes	9,034,000	6,381,000
Net Income	$ 12,476,000	$ 7,850,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,842,000 in 1985 and $824,000 in 1984.

Assets

As at July 31	1985	1984
Cash & short-term invest.	$ 28,499,000	$ 18,618,000
Accts. receiv., net	16,544,000	9,373,000
*Inventories	15,176,000	9,103,000
Prepaid inc. taxes	800,000	2,066,000
Prepaid expenses	802,000	403,000
Current Assets	$ 61,821,000	$ 39,563,000
#Fixed assets	27,917,000	12,539,000
Other assets	802,000	351,000
Exc. of cost over assets acq.	11,136,000	—
Total Assets	$ 101,676,000	$ 52,453,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 412,000	$ 40,000
Notes payable	—	527,000
Accts. payable	3,670,000	1,270,000
Accruals	3,309,000	2,542,000
Accrued payroll	3,841,000	2,598,000
Income taxes payable	3,376,000	2,554,000
Curr. Liabilities	$ 14,608,000	$ 9,531,000
Deferred income taxes	1,160,000	—
Long-term debt	8,089,000	1,523,000
+ Common stock	3,960,000	3,532,000
Add. paid-in capital	42,976,000	19,460,000
Retained earnings	30,883,000	18,407,000
Toal Liabilities & Shareholders' Equity	$ 101,676,000	$ 52,453,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	22.29	29.49
%Net Income to Sales	12.93	16.27
%Net Income to Equity	16.03	18.96
Sales to Inventories	6.36	5.30
Debt to Equity	0.11	0.05
Working Capital	$47,213,000	$30,032,000
Current Ratio	4.23	4.15
Shareholders' Equity	$77,819,000	$41,399,000

Orbit Instrument Corporation

80 Cabot Court
Hauppauge, New York 11788
(516) 435-8300

6431 Global Drive
Cypress, California 90630
(714) 527-0561

Officers: Max Reissman, chairman & president; Mitchell Binder, treasurer; Darwin C. Dornbush, secretary.

Directors: Max Reissman, chairman of the board; Mitchell Binder, Darwin C. Dornbush, Irwin K. Chapman.

Areas of Work: Designs, manufactures and markets high-quality electrical components and subsystems for use in military, air traffic control and console applications. Products include: Operator Control Trays for data tracking and surveillance, Ball Trackers, Force Transducers and Joysticks for cursor movement on radar consoles, and Data Entry, Computer Controlled Action Entry Panels for information display and decision operator assistance.

Acquisition(s):

Comdial Technology Corporation
Manufacture of customized semiconductor chips.

Transfer Agent(s):

American Transfer Company
44 Beaver Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORBT (NASDAQ)

Number of Employees:

1985 199

Plant Footage:

1985 . . . . 61,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 20,009,400	$ 4,231,400
1984	16,172,500	4,056,900
1983	11,219,000	2,500,500
1982	8,418,400	2,037,000
1981	6,175,400	1,417,300

	No. of Com. Shares	Earn. per Share ‡
1985	7,925,386	$ 0.51
1984	7,603,798	0.51
1983	5,739,726	0.38
1982	2,583,974	0.33
1981	N.A.	0.35

N.A. - Not Available.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 35,345,400	$ 9.00
1984	30,354,200	3.99
1983	14,978,100	2.61
1982	11,228,300	4.35
1981	8,999,200	—

Income Account *

Year ended June 30	1985	1984
Net sales	$ 20,009,400	$ 16,172,500
Cost of sales	10,049,600	7,974,600
Expenses	3,746,000	1,681,100
Interest expense	98,600	105,900
Invest. income	(1,491,300)	(1,346,000)
Income before taxes	$ 7,606,400	$ 7,756,900
Income taxes	3,375,000	3,700,000
Net Income	$ 4,231,400	$ 4,056,900

* Included in Costs and Expenses, Depreciation and Amortization: $139,800 in 1985 and $126,100 in 1984.

Assets

As of June 30	1985	1984
Cash & cash equiv.	$ 91,900	$ 5,104,200
Marketable securities	14,552,600	14,479,000
Accts. receiv., net	5,685,500	1,598,000
*Inventories	15,233,000	10,409,000
Prepaid expenses	1,038,800	186,000
Current Assets	$ 36,601,800	$ 31,776,200
#Fixed assets	2,533,600	2,512,200
Other assets	256,300	278,400
Total Assets	$ 39,391,700	$ 34,566,800

Liabilities

	1985	1984
Long-term debt, curr.	$ 135,900	$ 133,700
Accts. payable	713,500	645,000
Accruals	536,000	393,600
Cust. advances	754,400	533,900
Income taxes	592,400	1,179,400
Curr. Liabilities	$ 2,732,200	$ 2,885,600
Long-term debt	1,109,100	1,245,000
Deferred inc. taxes	205,000	82,000
+ Common stock	880,500	848,300
Add. paid-in capital	17,166,500	16,438,900
Retained earnings	17,554,900	13,323,500
Treasury stock	(256,500)	(256,500)
Total Liabilities & Shareholders' Equity	$ 39,391,700	$ 34,566,800

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	38.01	47.96
%Net Income to Sales	21.15	25.09
%Net Income to Equity	11.97	13.37
Sales to Inventories	1.31	1.55
Debt to Equity	0.04	0.05
Working Capital	$33,869,600	$28,890,600
Current Ratio	13.40	11.01
Shareholders' Equity	$35,345,400	$30,354,200

Orion Research Incorporated

840 Memorial Drive
Cambridge, Massachusetts 02139
(617) 864-5400

Officers: Alexander Jenkins, III, president and chief exec. officer; Stelios Papadopoulos, exec. v.p. & chief operating officer; Albert Diggens, v.p.; Anderson Kurtz, v.p.; Howard J.

Langejans, v.p.; James W. Ross, Jr., v.p.; Peter W. Smith, v.p.; Bernard Stein, v.p.; H. Kenneth Fish, clerk; Susan F. Stewart, v.p.

Directors: James W. Ross, Jr., Alexander Jenkins, III, Louis B. Barnes, David A. Hatch, William M. Karlyn, Robert B. Schmidt, William J. Kennedy, Richard D. Condon.

Areas of Work: Manufactures specific ion electrodes, digital and analog pH meters and specific ion meters, and related electronic instruments used to analyze chemical solutions and to display and record the resulting data. Also manufactures syringe and tubing pumps employed for various scientific, industrial and medical purposes and a line of stat blood analyzers for use in hospitals.

Subsidiaries:

Orion Research Puerto Rico, Inc
Rio Piedras, Puerto Rico
Manufacturer of chemical sensors (electrodes) and related products.

Orion Research AG
Kusnacht, Switzerland

Orion Resdel Corporation
Rio Grande, New Jersey
Manufactures centrifugally cast epoxy tubing.

Orion Scientific Instruments Corp.
Pleasantville, New York

Orion Research Far East, Inc.
Morrison Hill Road
Hong Kong

Transfer Agent(s):

The Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ORIR (NASDAQ)

Number of Employees:

1985	482	1982	410
1984	434	1981	447
1983	432		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 32,726,000	$ 2,538,000
1984	26,131,000	426,000
1983	25,591,000	1,714,000
1982	22,555,000	(321,000)
1981	20,712,000	(377,000)

	No. of Com. Shares	Earn. per Share ‡ ×
1985	1,224,889	$ 2.04
1984	1,197,783	0.35
1983	1,156,095	1.47
1982	1,112,026	—
1981	1,095,927	—

(Loss)
‡ Including extraordinary credits of $265,000 ($0.21 per share) in 1985 and $90,000 ($0.08 per share) in 1983.
× Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 12,841,000	$ 10.48
1984	10,038,000	8.38
1983	9,219,000	7.97
1982	7,154,000	6.43
1981	7,383,000	6.74

Income Account *

Year ended March 31	1985	1984
Net sales	$ 32,726,000	$ 26,131,000
Cost of sales	15,437,000	12,505,000
Expenses	14,060,000	12,848,000
Interest expense	124,000	81,000
Income before taxes	$ 3,105,000	$ 697,000
Income taxes	832,000	271,000
Net Income	$ 2,273,000	$ 426,000
Extraordinary gain	265,000	—
Net Income & extraord. gain	$ 2,538,000	$ 426,000

* Included in Costs and Expenses, Depreciation and Amortization: $715,000 in 1985 and $666,000 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 1,075,000	$ 2,518,000
Accts. receiv., net	7,313,000	5,960,000
*Inventories, net	9,287,000	5,829,000
Prepaid expenses	496,000	539,000
Current Assets	$ 18,171,000	$ 14,846,000
Notes receiv.	—	125,000
#Fixed assets	3,509,000	2,620,000
Intangible	227,000	252,000
Total Assets	$ 21,907,000	$ 17,843,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 72,000	$ 1,064,000
Accts. payable	2,208,000	1,422,000
Accruals	2,699,000	2,338,000
Income taxes	1,294,000	899,000
Curr. Liabilities	$ 6,273,000	$ 5,723,000
Long-term debt	1,900,000	1,000,000
Cap. lease oblig.	25,000	95,000
Deferred gain	868,000	987,000
+ Common stock	123,000	120,000
Add. paid-in capital	3,683,000	3,421,000
Retained earnings	9,042,000	6,504,000
Treasury stock	(7,000)	(7,000)
Total Liabilities & Shareholders' Equity	$ 21,907,000	$ 17,843,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.49	2.67
%Net Income to Sales	6.95	1.63
%Net Income to Equity	17.70	4.24
Sales to Inventories	3.52	4.48
Debt to Equity	0.16	0.22
Working Capital	$11,898,000	$ 9,123,000
Current Ratio	2.90	2.59
Shareholders' Equity	$12,841,000	$10,038,000

Pacific Scientific Company

1350 South State College Boulevard
Anaheim, California 92803
(714) 535-8141

Officers: Harry R. Goff, chairman of the board; Edgar S. Brower, president & chief executive officer; Douglas D. Fockler, v.p.; Richard V. Plat, sr. v.p.-finance & administration and secretary; Charles A. Collins, Robert J. Del Ponte, Douglas D. Fockler, Joseph J. Sacco, Jr., v.p.'s & division presidents; William L. Nothwang, controller; Peer A. Swan, treasurer.

Directors: Harry R. Goff, chairman; W. P. Balderston, Ralph O. Briscoe, Edgar S. Brower, James D. Hodgson, William A. Preston, Harry W. Todd, Jack P. Wright.

Areas of Work: Operates in three areas: Restraint, Equipment; Instruments and Components; and Motors and Controls.

Divisions and Subsidiaries:

Kin-Tech Division
Anaheim, California
Develops and markets mechanical shock arrestors, restraint equipment and other safety devices for nuclear power plants; manufactures restraint systems, electro-mechanical flight control components, and hydraulic actuators for military and commercial aircraft.

HIAC/Royco Instruments Division
Menlo Park, California
Manufactures electronic instruments which measure contaminant particles in liquids and gases using remote sensors.

Gardner/Neotec Division
Silver Spring, Maryland
Manufactures instruments for the measurement and control of appearance properties, colorimeters for use in the textile and food markets, and related software. Also manufactures a line of near-infrared analyzers used in the analysis of agricultural and industrial products to measure proteins, moisture, fiber, oil and similar components in organic substances.

IMEC Corp.
Boston, Massachusetts
Produces electronic controllers for the robotic, machine tool, and process machinery markets.

Belfab Division
Daytona Beach, Florida

Motor & Control Division
Rockford, Illinois

Pacific Scientific, Ltd.
Bucks, England

Pacific Scientific, GmbH
Leonberg, West Germany

Pacific Scientific, Inc.
Liestal, Switzerland

Pacific Scientific, S.A.R.L.
Palaiseau, France

Pacific Scientific International Sales Corp.
St. Thomas, U.S. Virgin Islands

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): New York

Ticker Symbol: PSX

Number of Employees:

1985	935	1982	900
1984	1,057	1981	886
1983	728		

Plant Footage:

1985	448,000 sq. ft.	1982	273,000
1984	448,000	1981	287,000
1983	290,000		

Sales and Earnings

	Revenues +	Net Income
1985	$ 89,832,000	$ 5,699,000
1984	92,192,000	7,000,000
1983	81,421,000	10,846,000
1982	76,298,000	9,240,000
1981	66,145,000	8,444,000

	No. of Com. Shares ‡	Earn. per Share †
1985	5,420,000	$ 1.05
1984	5,411,000	1.29
1983	5,346,000	1.98
1982	5,252,000	1.60
1981	5,785,000	1.42

+ Of continuing operations only.
‡ Adjusted to reflect stock dividend.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Revenues By Line of Business

	1985	1984
Restraint equip.	$ 26,948,000	$ 27,756,000
Electronic instruments	36,487,000	34,729,000
Corporate	3,693,000	3,026,000
Motors & controls	22,704,000	26,927,000
Eliminations	-	(246,000)
Total	$ 89,832,000	$ 92,192,000

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.40	—	—
1984	0.40	—	—
1983	0.38	—	—
1982	0.34	—	—
1981	0.29	50%	—

† Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 57,463,000	$ 10.60
1984	53,879,000	9.96
1983	48,480,000	9.07
1982	37,824,000	7.20
1981	36,484,000	6.31

† Adjusted to reflect stock dividend.

Income Account *
(000's)

Year ended	12/27/85	12/28/84
Net sales	$ 86,062	$ 88,912
Other income	3,770	3,280
Total Income	$ 89,832	$ 92,192
Cost of sales	54,794	54,649
Expenses	24,360	22,715
Interest expense	2,473	2,469
Income before taxes	$ 8,205	$ 12,359
Income taxes	2,506	5,359
Net Income	$ 5,699	$ 7,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,274,000 in 1985 and $3,366,000 in 1984.

Assets
(000's)

As of	12/27/85	12/28/84
Cash & short-term invest.	$ 31,157	$ 34,480
Trade receiv., net	14,816	16,177
*Inventories	26,152	25,445
Prepaid expenses	4,420	2,608
Current Assets	$ 76,545	$ 78,710
#Fixed assets	15,512	13,590
Other assets	7,255	6,773
Total Assets	$ 99,312	$ 99,073

Liabilities
(000's)

Accts. payable	$ 4,044	$ 5,878
Accrued payroll	2,287	2,098
Other accruals	193	1,339
Income taxes	—	32
Other liab.	3,112	2,916
Curr. Liabilities	$ 9,636	$ 12,263
Long-term debt	28,637	30,746
Deferred income taxes	1,963	2,185
Accrued benefit plan	1,613	—
+ Common stock	5,420	5,411
Add. paid-in capital	3,636	3,596
Retained earnings	48,407	44,872
Total Liabilities & Shareholders' Equity	$ 99,312	$ 99,073

* At lower of cost (average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.53	13.90
%Net Income to Sales	6.62	13.75
%Net Income to Equity	9.92	12.99
Sales to Inventories	3.29	3.49
Debt to Equity	0.50	0.57
Working Capital	$66,909,000	$66,447,000
Current Ratio	7.94	6.42
Shareholders' Equity	$57,463,000	$53,879,000

Panelgraphic Corporation

10 Henderson Drive
West Caldwell, New Jersey 07006
(201) 227-1500

Officers: Edward E. Finney, chairman of the board & president; Stewart Nellis, v.p.-marketing & sales; Julius Denzler, secretary & general counsel; Darryl W. Brixius, v.p. & technical director; James M. Johnson, v.p.-operations & treasurer.

Directors: Edward E. Finney, chairman; Henry Avery, William E. Kulsar.

Areas of Work: Produce specialty coatings for plastics. The company has developed a series of high-performance transparent coatings to achieve a marked upgrading of engineering plastics to create high value-added composites.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985 .... 85 1983 100
1984 .... N.A.

Plant Footage:

1985 .... 50,000 sq. ft. 1983 51,000
1984 .... N.A.

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 4,399,000	$ (53,063)
1984	3,938,000	82,562
1983	3,968,000	154,386
1982	4,185,000	58,173
1981	4,029,000	64,555

	No. of Com. Shares #	Earn. per Share #
1985	453,408	$ —
1984	452,158	0.18
1983	4[illegible]2,158	0.34
1982	4[illegible],870	0.13
1981	4[illegible],495	0.14

(Loss)
Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 782,403	$ 1.73
1984	832,653	1.84
1983	750,091	1.66
1982	589,455	1.32
1981	524,902	1.18

Based on the weighted average number of shares outstanding.

Income Account *

Year ended Aug. 31	1985	1984
Revenue	$ 4,399,184	$ 3,937,577
Cost of sales	2,761,410	2,148,074
Expenses	1,646,108	1,623,521
Interest expense	102,115	76,932
Earn. of joint venture	—	(9,271)
Inc. (loss) bef. taxes	$ (110,449)	$ 98,321
Income taxes (credit)	(57,386)	15,759
Net Income (Loss)	$ (53,063)	$ 82,562

* Included in Costs and Expenses, Depreciation and Amortization: $92,031 in 1985 and $84,953 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 14,390	$ 12,296
Accts. receiv., net	712,839	756,951
*Inventories	427,652	471,060
Prepaid expenses	18,115	22,414
Current Assets	$ 1,172,996	$ 1,262,721
#Fixed assets	741,961	706,603
Invest. in joint venture	—	14,271
Defer. expenses	52,461	58,241
Total Assets	$ 1,967,418	$ 2,041,836

Liabilities

Long-term debt, curr.	$ 44,227	$ 27,719
Cap. lease oblig., curr.	3,083	27,375
Accts. payable	270,679	407,066
Accrued expenses	175,160	236,799
Curr. Liabilities	$ 493,149	$ 698,959
Notes payable	657,446	493,328
Cap. lease oblig.	—	3,083
Deferred inc. taxes	34,420	13,813
+ Common stock	45,341	45,216
Add. paid-in capital	293,200	290,532
Retained earnings	443,842	496,905
Total Liabilities & Shareholders' Equity	$ 1,967,418	$ 2,041,836

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.50
%Net Income to Sales	—	2.10
%Net Income to Equity	—	9.92
Sales to Inventories	10.29	8.36
Debt to Equity	0.90	0.66
Working Capital	$679,847	$563,762
Current Ratio	2.38	1.81
Shareholders' Equity	$782,403	$832,653

Paradyne Corporation

8550 Ulmerton Road
P.O. Box 2826
Largo, Florida 34294
(813) 530-2000

Officers: Robert S. Wiggins, chairman of the board, president & chief executive officer; Robert W. Jones, sr. v.p.; Jerry T. Kendall, sr. v.p., general manager-service & marketing; George B. Pressly, exec. v.p. & chief operating officer; F. William Siegrist, sr. v.p., general manager-network systems; Fred T. Melberg, exec. v.p. & chief staff officer; Peter A. Gugliemi, v.p. & treasurer; Cletus L. Gardenhour, sr. v.p., general manager, telecommunications; George B. Pressly, sr. v.p.-corp. quality processes; James L. Slattery, v.p., secretary & general counsel.

Directors: Robert S. Wiggins, chairman; Paul J. Ferri, Henry H. Greer, J. Thomas Lawson, James K. Taggart, William F. Souders.

Areas of Work: Designs, manufactures, markets, and services medium and high speed data communications equipment. The two principal product lines include: Modems and Analysis systems to allow transmission of computer information over telephone lines and PIX systems designed to communicate between remote peripheral devices and IBM computers.

Subsidiaries:

Paradyne Caribbean, Inc.
P.O. Box 7627
Playa de Ponce
Ponce, Puerto Rico 00731

Paradyne Canada, Ltd.
200 Consumers Road, Suite 504
Willowdale, Ontario M2J 4R4
Canada
(416) 494-0453

Ark Electronic Products, Inc.
325 W. Hibiscus Blvd.
Melbourne, Florida 32901
(305) 724-5260

Paradyne European Headquarters
Paradyne House, 14 Upton Rd.
Watford, Hertfordshire, England WD1 7EP
44 (923) 55550

Paradyne GmbH
Bunzlauer Strasse 1
50001 Koln 40
West Germany
49 (2234) 74091

Paradyne Japan Corporation
WAKO Number 15 Building 8
1-Chome Honcho, Nihonbashi
Chuo-Ku, Tokyo
Japan
81-3-245-0431

Solid State Circuits, Inc.
616 Boonville
Springfield, Missouri 65806
(417) 869-4678

Transfer Agent(s):

State Street Bank & Trust Company
225 Franklin Street
Boston, Massachusetts 02101

Stock Exchange(s): New York

Ticker Symbol: PDN

Number of Employees:

1985	3,749	1982	3,072
1984	4,042	1981	2,726
1983	3,452		

Sales and Earnings

	Revenues	Net Income
1985	$ 252,529,000	$ (31,182,000)
1984	289,981,000	11,048,000
1983	208,959,000	3,652,000
1982	207,341,000	26,872,000
1981	139,023,000	18,261,000

	No. of Com. Shares †	Earn. per Share †
1985	22,589,000	$ —
1984	22,515,000	0.49
1983	22,357,000	0.16
1982	21,692,000	1.24
1981	19,538,000	0.93

(Loss)
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	3-for-2
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 184,167,000	$ 8.15
1984	213,763,000	9.49
1983	199,819,000	8.94
1982	193,379,000	8.91
1981	119,238,000	6.10

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 180,701	$ 229,142
Other income	71,828	60,839
Total revenues	$ 252,529	$ 289,981
Cost of sales & revenues	173,624	164,109
Expenses	107,660	106,599
Interest income	5,167	4,542
Income (loss) before taxes	$ (33,922)	$ 14,731
Income taxes (credit)	(2,740)	3,683
Net Income (Loss)	$ (31,182)	$ 11,048

* Included in Costs and Expenses, Depreciation and Amortization: $26,942,000 in 1985 and $21,175,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cash invest.	$ 46,556	$ 31,965
Accts. receiv., net	62,026	70,991
*Inventories	79,531	95,604
Prepaid expenses	4,149	3,810
Current Assets	$ 192,262	$ 202,370
Field support spares	15,607	12,741
#Equip. on oper. leases	13,356	21,858
#Fixed assets	66,959	66,994
Invest. in non-consol. subsid.	23,472	33,208
Other assets	7,774	13,747
Total Assets	$ 319,430	$ 350,918

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 999	$ 12,704
Accts. payable	12,247	18,753
Accruals	14,796	11,088
Income taxes	3,368	3,317
Curr. Liabilities	$ 31,410	$ 45,862
Long-term debt	102,889	86,036
Deferred income taxes	—	3,701
Def. maint. rev.	964	1,556
+ Common stock	2,266	2,252
Add. paid-in capital	143,907	142,652
Retained earnings	39,266	70,448
Cum. trans. adjust.	1,272	1,589
Total Liabilities & Shareholders' Equity	$ 319,430	$ 350,918

* At lower of cost (FIFO) or market.
# Less accumulated depreciation
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	—	5.08
%Net Income to Revenues	—	3.81
%Net Income to Equity	—	5.17
Debt to Equity	0.56	0.46

Working Capital	$160,852,000	$156,508,000
Current Ratio	6.12	4.41
Shareholders' Equity	$184,167,000	$213,763,000

Park Electrochemical Corp.

5 Dakota Drive
Lake Success, New York 11042
(516) 354-4100

Officers: Jerry Shore, chairman, chief executive officer and president; William R. Bastian, Stanley H. Randall, E. Philip Smoot, v.p.'s; Harry Linzer, v.p. & secretary, Allen Levine, controller; Joseph A. Gemmo, treasurer.

Directors: Anthony Chiesa, Leon H. Keyserling, Jerry Shore, Norman M. Schneider, Brian E. Shore, Lloyd Frank.

Areas of Work: Engaged in the design, manufacture and marketing of electronic materials and components, plumbing hardware, and industrial components. The electronic products include sophisticated multilayer circuitry materials used in electronic interconnections, as well as front panels and nameplates, for use in electronic equipment. The plumbing hardware products include bath spouts, shower heads, kitchen hose and spray head units, and faucets manufactured for original equipment manufacturers, hardware and plumbing wholesalers and home improvement centers. The industrial components consist of decorative hardware used primarily by manufacturers of household appliances and automobiles.

Divisions and Subsidiaries:

New England Laminates Co., Inc.
3 Elm Street
Walden, New York 12586

Zin-Plas Corporation
25 North Park Street
Comstock Park, Michigan 49321

Dielectric Polymers, Inc.
218 Race Street
Holyoke, Massachusetts 01040

Hallmark Nameplate, Inc.
1855 New Highway
Farmingdale, New York 11735

Nelco Products, Inc.
1411 E. Orangethorpe Avenue
Fullerton, California 92631

New England Laminates (U.K.) Limited
1 Paddock Road
Skelmersdale, Lancashire,
United Kingdom

Grand Rapids Die Casting Corp.
Grand Rapids, Michigan

Stem Search Corp.
Gardena, California

Nelco, S.A.
Mirebeau-sur-Beze, France

Nelco Products Pte. Ltd.
Jurong, Singapore

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): New York

Ticker Symbol: PKE

Sales and Earnings

	Net Sales	Net Income
1986	$ 87,786,000	$ 4,380,000
1985*	92,587,000	7,250,000
1984	73,183,000	5,252,000
1983	56,916,000	1,722,000
1982	55,006,000	1,540,000

	No. of Com. Shares #	Earn. per Share #
1986	5,151,000	$ 0.85
1985*	5,141,000	1.41
1984	4,785,000	1.10
1983	4,032,000	0.43
1982	4,008,000	0.38

* 53 weeks.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1986	1985
Electronics	$ 64,897	$ 67,639
Plumbing hardware	15,572	15,469
Industrial components	7,317	9,479
Total	$ 87,786	$ 92,587

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985	—	—	3-for-2
1984	—	—	3-for-2
1983	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 46,798,000	$ 9.09
1985	41,339,000	8.04
1984	34,798,000	7.27
1983	15,867,000	3.94
1982	14,305,000	3.57

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended	3/2/86	3/3/85
Net sales	$ 87,786,000	$ 92,587,000
Cost of sales	70,605,000	71,316,000
Expenses	11,226,000	11,007,000
Interest income	(803,000)	(1,251,000)
Income before taxes	$ 6,758,000	$ 11,515,000
Income taxes	2,378,000	4,265,000
Net Income	$ 4,380,000	$ 7,250,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,040,000 in 1985 and $2,342,000 in 1984.

Assets

As of	3/2/86	3/3/85
Cash	$ 17,559,000	$ 14,825,000
Accts. receiv., net	14,400,000	14,134,000
*Inventories	9,109,000	8,621,000
Prepaid & other assets	1,580,000	1,060,000
Current Assets	$ 42,648,000	$ 38,640,000
#Fixed assets	23,779,000	20,388,000
Notes receivable	200,000	300,000
Other assets	794,000	672,000
Total Assets	$ 67,421,000	$ 60,000,000

Liabilities

Bank loans & notes payable	$ 708,000	$ 2,456,000
Long-term debt, curr.	405,000	250,000
Accts. payable	8,583,000	7,888,000
Accruals	3,110,000	3,107,000
Income taxes	1,507,000	760,000
Curr. Liabilities	$ 14,313,000	$ 14,461,000
Long-term debt	2,232,000	1,250,000
Deferred inc. taxes	4,078,000	2,950,000
+Common stock	515,000	514,000
Add. paid-in capital	17,195,000	17,154,000
Retained earnings	28,640,000	24,569,000
Cum. trans. adj.	448,000	(898,000)
Total Liabilities & Shareholders' Equity	$ 67,421,000	$ 60,000,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.70	12.44
%Net Income to Sales	4.99	7.83
%Net Income to Equity	9.36	17.54
Sales to Inventories	9.64	10.74
Debt to Equity	0.07	0.10
Working Capital	$28,335,000	$24,179,000
Current Ratio	2.98	2.67
Shareholders' Equity	$46,798,000	$41,339,000

Parker Hannifin Corporation

17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Officers: Patrick S. Parker, chairman of the board; Paul G. Schloemer, president & chief exec. officer; Donald S. Manning, vice chairman; R.C. Barnd, v.p. & president-International Sector; Frederick A. Downey, exec. v.p.-finance & administration; Jack E. Chappell, v.p.; Duane E. Collins, v.p. & president-Fluid Connectors; James P. Mockler, v.p. & president-Fluidpower; Rhinehold G. Pastryk, v.p. & president-Seal; Robert H. Rau, v.p. & president-Aerospace; Zdenek J. Lansky, v.p. and technical director; John L. Hanson, v.p.-human resources; Dennis W. Sullivan, exec. v.p. & president-Industrial Sector; Harold C. Gueritey, Jr., controller; Paul Lederer, v.p. & president-Automotive Sector; Joseph D. Whiteman, general counsel & secretary; Wallace C. Young, treasurer.

Directors: Keith S. Benson*, Allen H. Ford*, Frank A. LePage, Reynold C. MacDonald, Donald S. Manning, Patrick S. Parker*, Philip Rauch*, Scott A. Rogers, Jr., Maurice L. Schwarz, Richard Bertea*, John G. Breen, Robert H. Cannon, Jr., Paul G. Schloemer*, Frederick A. Downey, Dennis W. Sullivan, Allan L. Rayfield, Paul C. Ely, Jr.

* Member of the Executive Committee.

Areas of Work: Industrial products include: hydraulic, pneumatic and cryogenic cylinders, valves, controls, and filters; hydraulic pumps, accumulators, motors, and power system units; hose, tube and applicable connectors and fittings; sealing devices; worm drive clamps; refrigeration and air conditioning system components. Aviation/Space/Marine Products include: gas tubine fuel injection control valves and nozzles; precision control valves for cryogenic and conventional fuels; valves for pressurized gases used in space experiments and space craft altitude jets; hydraulic valves. Automotive products include: worm drive clamps; thermostats; windshield wiper blades and refills; windshield washer pumps; turn signal and hazard warning flashers; mirrors; radio antennas; air conditioner fittings, hose assemblies, receiver-dryers, valves, couplers and mufflers; grease guns; oilers; tire valves, gauges and hardware; air line couplers; blow guns; seals; discs and drum brake fluids and components; biomedical products.

Operating Groups:

Parker Bertea Aerospace Group
18321 Jamboree Boulevard
Irvine, California 92715
(714) 833-3000

Automotive Aftermarket Group
1000 Pennsylvania Avenue
Brooklyn, New York 11207
(212) 498-4000

Biomedical Group
17352 Von Karman Avenue
Irvine, California 92714
(714) 851-3357

Fluid Connectors Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Fluid Connectors Group - Europe
Star House
P.O. Box 192
69/71 Clarendon Road
Watford WD1 1DQ
Herts, England

Fluidpower Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Fluidpower Group - Europe
Star House
P.O. Box 192
69/71 Clarendon Road
Watford, WD1 1DQ
Herts, England

Intercontinental Group
17325 Euclid Avenue
Cleveland, Ohio 44112
(216) 531-3000

Nichols Group
Parker Hannifin Corporation
1040 Waltham Street
P.O. Box 800
Lexington, Massachusetts 02173
(617) 862-8550

Refrigeration Components Group
2421 South 25th Avenue
Broadview, Illinois 60153
(312) 681-3576

Seal Group
2360 Palumbo Drive
Lexington, Kentucky 40509
(606) 269-2351

Seal Group - Europe
Parker-Pradifa GmbH
Postfach 328
D-7120 Bietigheim-Bissingen
West Germany

Transfer Agent(s):

The AmeriTrust Company
Cleveland, Ohio

Stock Exchange(s): New York

Ticker Symbol: PH

Number of Employees:

1985	22,167	1982	19,350
1984	22,000	1981	22,291
1983	18,346		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,459,518	$ 84,135
1984	1,304,817	71,499
1983	1,086,046	31,437
1982	1,198,273	50,285
1981	1,156,503	62,945

	No. of Com. Shares +	Earn. per Share #
1985	27,689,000	$ 3.06
1984	26,808,000	2.68
1983	26,469,000	1.20
1982	26,083,000	2.28
1981	25,907,000	2.59

+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Industrial	$ 817,356	$ 736,545
Aviation/Space/Marine	341,738	293,582
Automotive	301,457	275,998
Interseg. sales	(1,033)	(1,308)
Total	$ 1,459,518	$ 1,304,817

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.10	—	—
1984	1.04	—	—
1983	0.98	—	—

1982	0.96	—	3-for-2
1981	0.88	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 577,167,000	$ 20.84
1984	518,321,000	19.33
1983	473,706,000	17.90
1982	467,766,000	17.93
1981	435,529,000	16.81

† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 1,459,518	$ 1,304,817
Cost of sales	1,107,297	996,129
Expenses	191,490	173,842
Interest expense	15,872	16,097
Interest & other income	(4,019)	(5,447)
Income before taxes	$ 148,878	$ 124,196
Income taxes	64,743	52,697
Net Income	$ 84,135	$ 71,499

* Included in Costs and Expenses, Depreciation: $42,433,000 in 1985 and $37,421,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash & cash equiv.	$ 10,071	$ 34,498
Marketable securities	4,267	11,292
Accts. receiv., net	211,403	199,108
*Inventories	322,956	299,716
Prepaid expenses	9,870	7,479
Current Assets	$ 558,567	$ 552,093
Investments & other assets	12,910	14,003
#Fixed assets	391,743	335,916
Intangibles	3,166	3,333
Total Assets	$ 966,386	$ 905,345

Liabilities
(000's)

Notes payable	$ 21,214	$ 13,362
Accts. payable	95,204	85,133
Accruals	60,436	62,739
Accrued payroll	34,778	30,978
Accrued taxes	14,386	24,929
Current Liabilities	$ 226,018	$ 217,141
Long-term debt	129,127	145,669
Deferred inc. taxes	34,074	24,214
+Common stock	13,845	13,404
Add. paid-in capital	103,659	94,870
Retained earnings	493,036	434,337
For. curr. trans. adj.	(33,373)	(24,290)
Total Liabilities & Shareholders' Equity	$ 966,386	$ 905,345

* At lower of cost or market. Majority of domestic inventories stated at LIFO; remainder at FIFO.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.20	9.52
%Net Income to Sales	5.76	5.48
%Net Income to Equity	14.58	13.79
Sales to Inventories	4.52	4.35
Debt to Equity	0.26	0.31
Working Capital	$332,549,000	$334,952,000
Current Ratio	2.47	2.54
Shareholders' Equity	$577,167,000	$518,321,000

The Penn Central Corporation

500 West Putnam Avenue
Greenwich, Connecticut 06836
(203) 629-5000

Officers: Carle H. Lindner, chairman of the board; Alfred W. Martinelli, president & chief exec. officer; Herbert S. Winokur, Jr., sr. exec. v.p.; Francis A. Kareken, sr. v.p., general counsel & secretary; Edward F. Kosnik, exec. v.p. & chief fin. officer; David H. Street, v.p. & treasurer; Robert W. Olson, v.p. & deputy general counsel; Frederick W. Rovet, v.p.-real estate; Ernest R. Varalli, sr. v.p. & controller; John F. Mullen, v.p.-accounting; Brian F. Billings, president-energy group; Charles P. Siess, Jr., president-Marathon group; Stephen H. Meyers, v.p.-administration; Neil M. Hahl, v.p. & general tax counsel.

Directors: Carl H. Lindner*, chairman; Richard Dicker, A. Leon Fergenson, John W. Ingraham, Howard L. Terry*, Ronald F. Walker*, Thomas M. Hunt, John H. Williams*, Edward F. Kosnik, Alfred W. Martinelli*, Herbert S. Winkour, Jr., James E. Evans.

* Member of the Executive Committee.

Areas of Work: The company manufactures products and supplies services in the following areas: electronics and defense, telecommunications, energy, natural resources and property.

Divisions and Subsidiaries:

Electronics, Defense and
Telecommunications Group
Greenwich, CT (203) 629-5000

Sprague Electric Company
Lexington, Massachusetts
(617) 862-5500
Manufacture of electronic and electrical circuit components.

Sprague World Trade Corporation
Geneva, Switzerland
011-41-022-98-4021
Manufacture of electronic and electrical circuit components in Belgium, France and West Germany.

Sprague Solid State Inc.
Willow Grove, PA
(215) 657-8400
Manufacture of complementary metal oxide semiconductors.

G & H Technology
Santa Monica, California
(213) 450-0561
Manufacture of electromechanical connectors and unbilical disconnects.

Penn Central Federal Systems Company
Alexandria, Virginia
(703) 739-2400

Penn Central Technical Security Company
Marlton, New Jersey
(609) 983-0909
Design, engineering and installation of complex security systems.

Vitro Services
Ft. Walton Beach, Florida
(904) 244-7711
Manufacture of precision tracking and meteorological radar systems.

QualCorp, Inc.
Danbury, CT
(203) 796-5000
Provides engineering, technical services, quality assurance and quality control instruments, systems and services through the following units: Automation Industries Pty. Ltd., Automation Systems, Conam Inspection, Nuclear Energy Services, Sperry Products and Sperry Rail Service.

Vitro Corporation
Silver Spring, Maryland
(301) 231-1000
Systems engineering for the design, coordination and integration of components into unified and effective weapons systems for the U.S. Navy.

Penn Central Telecommunications Company
Woodcliff Lake, New Jersey
(201) 573-8200
Manufactures and markets a broad range of wire and cable products for voice, data, and electrical transmission. Other products include high-performance connectors for defense applications and installation and monitoring equipment for communications networks.

General Cable Company
Greenwich, Connecticut
(203) 629-5000
Manufacture of wire and cable and related products for the telecommunications market.

General Cable International
Woodcliff Lakes, New Jersey
(201) 573-8200
Manufacture of wire and cable related products for the telecommunications market through foreign equity investments in Brazil, Colombia, Venezuela and Spain.

G & M Technology
Santa Monica, California
(213) 450-0561
Manufacture of electromechanical connectors and umbilical disconnects.

Energy Group
Tulsa, Oklahoma
(918) 496-7300

Buckeye Gas Products Company
Tulsa, Oklahoma
(918) 496-7300
Retail and wholesale propane marketing and storage utilizing the Doxol, Norgas and Uregas trade names.

Buckeye Pipe Line Company
Allentown, Pennsylvania
(215) 820-8300
Pipeline transportation of refined petroleum products and crude oil.

Gulf Energy Development Corporation
San Antonio, Texas
(512) 340-4070
Natural gas gathering, processing and marketing.

Marathon Group
Houston, Texas
(713) 659-7444

Marathon Battery Company
Waco, Texas
(817) 776-0650
Manufacture of nickel-cadmium and magnesium batteries.

Marathon Alcad Limited
Redditch, Worcestershire, England
011-44527-62351
Manufacture of nickel-cadmium batteries.

Marathon Flite-Tronics Company
Burbank, California
(818) 841-3210
Manufacture of static inverters.

Marathon Carey-McFall Company
Montgomery, Pennsylvania
(717) 547-6651
Manufacture of decorator venetian blinds.

Marathon LeTourneau Company
Houston, Texas
(713) 659-7444
Manufacture of mobile offshore oil and gas drilling rigs and components; marine repair and parts services; manufacture of heavy equipment.

Marathon LeTourneau Offshore Pte. Ltd.
Republic of Singapore
011-65-861-2744
Manufacture of mobile offshore oil and gas drilling rigs and components; marine repair and parts services.

Oilfield Services Companies
Houston, Texas
(713) 659-7444

Butler-Johnson, Inc.
Shreveport, Louisiana
(318) 226-0731
Contract oil and gas drilling.

Cubby Drilling, Inc.
Midvale, Ohio
(614) 922-9431
Contract oil and gas drilling.

Western Oil Well Service Co.
Billings, Montana
(406) 245-7109
Oil well service and workover.

Willis Drilling Co. Inc.
Edinburge, Texas
(512) 383-3888

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Philadelphia, Pacific

Ticker Symbol: PC

Number of Employees:

1985	34,500	1982	37,200
1984	34,500	1981	40,200
1983	34,700		

Sales and Earnings

	Net Sales	Net Income
1985	$2,527,300,000	$ 110,800,000
1984	2,569,100,000	170,000,000
1983	2,538,900,000	19,700,000
1982	3,165,400,000	131,500,000
1981	3,348,800,000	168,700,000

	No. of Com. Shares	Earn. per Share #
1985	42,164,534	$ 2.76
1984	40,029,864	3.82
1983	31,845,120	—
1982	31,997,413	3.02
1981	31,976,679	4.18

Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Diversified industries	$ 486,600	$ 624,300
Telecommunications	549,800	318,000
Federal systems	385,200	378,600
Electronic/ electrical comp.	492,100	571,100
Energy	613,600	677,100
Total	$ 2,527,300	$ 2,569,100

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$1,825,900,000	$ 43.30
1984	1,619,200,000	40.45
1983	1,441,400,000	45.26
1982	1,467,700,000	45.87
1981	1,309,300,000	40.95

‡ Adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 2,527,300	$ 2,569,100
Cost of sales	1,528,300	1,545,900
Oper. expenses	513,100	473,400
Depreciation & amortization	128,100	120,900
Gen. & adm. expenses	135,300	131,700
Div. & interest income	(17,600)	(38,900)
Interest & debt expense	44,800	38,200
Corp. & adm. expenses	26,400	26,900
Income taxes	19,600	16,800
Other income	(41,800)	(44,000)
Income before taxes	$ 191,100	$ 298,200
Income taxes	80,300	128,200
Net Income	$ 110,800	$ 170,000

Assets
(000's)

As of Dec. 31	1985	1984
Cash & temp. invest.	$ 193,000	$ 37,700
Receivables, net	404,900	369,400
*Inventories	416,800	448,600
Prepaid expenses	35,500	40,000
Current Assets	$ 1,050,200	$ 895,700
Investments	372,000	365,000
#Fixed assets	1,065,900	1,122,400
Other assets	80,000	63,100
Intangibles	305,800	320,000
Total Assets	$ 2,873,900	$ 2,766,200

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 37,400	$ 39,600
Bank borrowings	33,800	4,700
Accts. payable	185,000	181,100
Other curr. liab.	282,500	313,500
Curr. Liabilities	$ 538,700	$ 538,900
Long-term debt	241,700	283,900
Other liab.	145,900	222,400
Minority interest	24,500	24,700
Deferred inc. taxes	97,200	77,100
+ Common stock	51,600	51,300
Add. paid-in capital	1,636,100	1,537,600
Retained earnings	584,700	473,900
Treasury stock	(446,500)	(443,600)
Total Liabilities & Shareholders' Equity	$ 2,873,900	$ 2,766,200

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.56	11.61
%Net Income to Sales	4.38	6.62
%Net Income to Equity	6.07	10.50
Sales to Inventories	6.06	5.73
Debt to Equity	0.15	0.20
Working Capital	$ 511,500,000	$ 356,800,000
Current Ratio	1.95	1.66
Shareholders' Equity	$1,825,900,000	$1,619,200,000

Penril Corp.

5520 Randolph Road
Rockville, Maryland 20852
(301) 881-8151

Officers: Alva T. Bonda, chairman, president., chief exec. officer & treasurer; Harry O. Christenson, exec. v.p.-finance; Frank S. DiGirolano, v.p. & president-Epicure Products, Inc.; Vito L. Greco, v.p. & gen. mgr.-Electro-Metrics Division; John D. Phillips, v.p. & gen. mgr.-Technipower; Warren J. Hess, v.p. & president-Triplett Electrical Instrument Corp.; David L. Johnson, v.p. & gen. mgr.-Data Comunications Division; Robert H. Nichols, president-Network Products, Inc.; Thomas J. McLoughlin, president-Concord Systems, Inc.; Charles C. Zwingman, Jr., v.p.-administration & secretary; Gloria Ehrlich, asst. secretary.

Directors: Alva T. Bonda, chairman; Kenneth M. Miller, Dennis B. Heffernan, Richard D. Margolis, Gerald E. Wedren.

Areas of Work: Designs, manufactures and markets data communications equipment, electronic test and measurement instruments, electronics power supplies, electronic power conversion and consumer audio equipment.

Divisions and Subsidiaries:

Data Communications Division
207 Perry Parkway
Gaithersburg, Maryland 20877-2197
(301) 921-8600
Manufactures data communications equipment.

Network Products, Inc.
4020 Stirrup Creek Drive
Research Triangle Park, North Carolina 27709-3239
(919) 544-8080

Network Products, Ltd.
387 Kykes Road
Slough, Berkshire
England SL14SJ
(753) 821898

Electro-Metrics Division
100 Church Street
Amsterdam, New York 12010-4299
(518) 843-2600
Manufactures test instruments for measurement of RFI/EMI (radio frequency and other electromagnetic interference).

Data Tech Division
1510 South Lyon Street
Santa Ana, California 92705-4613
(714) 546-7160
Manufactures electronic digital instrument products which include digital panel meters, digital multimeters, analog to digital converters, logic modules and computer memory devices.

Technipower Division
Commerce Drive
Commerce Industrial Park
Danbury, Connecticut 06810-9990
(203) 748-7001
Manufactures power conversion equipment includng high reliability encapsulated power supplies, auto transformers and voltage regulators.

Penril Technical, S.A.
6 Rue De La Corsaz
CH 1820
Montreux, Switzerland 623651
Manufactures high reliability encapsulated power supplies.

Epicure Products, Inc.
25 Hale Street
Newburyport, Massachusetts 01950
(617) 462-1000
Manufactures high fidelity loudspeaker systems and markets transcription turntables.

Concord Japan Company, Ltd.
Room 1002 10F
Tokan Castel Bashamichi
69-1 4-chome Aioi-cho, Naka-ku
Yokohama
Kanagawa-pref. 231
Japan

Alltest Division
2125 Stonington Avenue
Hoffman Estates, Illinois 60195
(800) 255-8378

Concord Systems, Inc.
6025 Yolanda Avenue
Tarzana, California 91356-1495
(818) 344-9335

Altec Company, Ltd.
2842 Shimotsuruma
Yamato-Shi
Kanagawa-ken 242
Japan
0462 (76) 3319

Subsidiaries:

Triplett Electrical Instrument Corporation
1 Triplett Drive
Bluffton, Ohio 45817
(419) 358-5015

Triplett de Mexico, S.A.
1597 Altos Boulevard Diaz Ordaz
La Mesa, Tijuana, Baja California
Mexico

Penril Corp.

Transfer Agent(s):

National Bank of Washington
4340 Connecticut Avenue, N.W.
Washington, D.C. 20008

Morgan Guaranty & Trust Company of New York
30 West Broadway
New York, New York 10007

Stock Exchange(s): American

Ticker Symbol: PNL

Number of Employees:

1985	N.A.	1982	600
1984	1,250	1981	730
1983	950		

Plant Footage:

1985	N.A.	1982	212,000
1984	400,000 sq. ft.	1981	204,000
1983	245,000		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income
1985	$ 74,212,000	$ 39,000
1984	65,702,000	2,470,000
1983	38,715,869	1,447,670
1982	39,586,600	1,672,849
1981	40,073,414	2,286,631

	No. of Com. Shares #	Earn. per Share #
1985	2,150,000	$ 0.02
1984	2,092,000	1.18
1983	2,018,195	0.72
1982	1,976,214	0.85
1981	1,989,066	1.15

# Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	—
1983	0.17	—	—
1982	0.17	—	—
1981	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 22,888,000	$ 10.65
1984	22,757,000	10.88
1983	19,954,286	9.89
1982	17,379,945	8.79
1981	15,850,918	7.97

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended July 31	1985	1984
Net sales & revenues	$ 74,212,000	$ 65,702,000
Cost of sales	47,953,000	40,172,000
Expenses	24,214,000	19,716,000
Interest expense	4,415,000	3,421,000
Other income	(1,156,000)	(1,184,000)
Inc. (loss) bef. taxes	$ (1,214,000)	$ 3,577,000
Income taxes (credit)	(1,253,000)	1,107,000
Net Income	$ 39,000	$ 2,470,000

*Included in Costs and Expenses. Depreciation and Amortization: $2,347,000 in 1985 and $1,650,000 in 1984.

Assets

As of July 31	1985	1984
Cash	$ 1,370,000	$ 1,010,000
Marketable securities	—	1,344,000
Accts. receiv., net	12,628,000	13,665,000
*Inventories	26,019,000	21,146,000
Other assets	3,203,000	1,463,000
Current Assets	$ 43,220,000	$ 38,628,000
Investment securities	6,207,000	9,987,000
#Fixed assets	9,703,000	6,142,000
Other assets & intangibles	10,062,000	8,205,000
Total Assets	$ 69,192,000	$ 62,962,000

Liabilities

Long-term debt, curr.	$ 752,000	$ 153,000
Accts. payable	5,131,000	5,871,000
Banker's acceptances	3,551,000	3,097,000
Accrued comp.	2,096,000	1,635,000
Accrued interest	1,048,000	1,286,000
Income taxes	113,000	115,000
Other expenses	2,980,000	1,379,000
Curr. Liabilities	$ 15,671,000	$ 13,536,000
Long-term debt	29,518,000	25,960,000
Other liabilities	740,000	372,000
Deferred inc. taxes	375,000	337,000
+Common stock	21,000	21,000
Add. paid-in capital	12,841,000	12,528,000
Retained earnings	11,261,000	11,644,000
Unrealized loss	(1,157,000)	(1,314,000)
Note receiv.	(43,000)	(84,000)
Foreign curr. trans.	(35,000)	(38,000)
Total Liabilities & Shareholders' Equity	$ 69,192,000	$ 62,962,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value

Statistical Summary

%Income bef. Taxes to Sales	—	5.44
%Net Income to Sales	0.05	3.76
%Net Income to Equity	1.17	10.85
Sales to Inventories	2.85	3.11
Debt to Equity	1.32	1.15
Working Capital	$27,549,000	$25,092,000
Current Ratio	2.76	2.85
Shareholders' Equity	$22,888,000	$22,757,000

Pentron Industries, Inc.

1655 N. Main Street, Suite 240
Walnut Creek, California 94596

Officers: Robert H. Chappell, chairman of the board; Paul C. Knauff, president & chief exec. officer; Marc L. Berman, v.p.; George S. Marion, IV, secretary & treasurer; Irving Cooper, asst. secretary & president-Pentron Products, Inc.

Directors: Robert H. Chappell, Paul C. Knauff, Marc L. Berman, Irving Cooper, William A. Morse, James F. Riley, John K. Sands.

Areas of Work: Distributes and markets electronic measuring and testing products to the consumer and industrial automotive aftermarket and electrical power conditioning products to the telecommunications and microcomputer industries. Also manufatures and markets lithographed metal and plastic items for the home.

Divisions:

Ballonoff Home Products Division
Columbiana, Ohio

Pentron Products, Inc.
San Jose, California

PTT Industries
Santa Cruz, California

Transfer Agent(s):

American Stock Transfer Co.
New York, New York

Stock Exchange(s): American

Ticker Symbol: PEN

Number of Employees:

1985	144	1982	279
1984	N.A.	1981	496
1983	N.A.		

Plant Footage:

1985	211,000 sq. ft.	1982	342,000
1984	N.A.	1981	362,000
1983	N.A.	1980	362,000

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 16,259,490	$ (864,855)
1984	10,579,432	(1,718,985)
1983	12,560,444	(2,278,256)
1982	16,429,357	(1,677,284)
1981	17,047,479	(357,978)

	No. of Com. Shares #	Earn. per Share #
1985	4,990,000	$ —
1984	3,685,748	—
1983	3,230,256	—
1982	3,220,294	—
1981	3,208,256	—

(Loss)
+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ (1,016,364) +	$ —
1984	(486,374)	—
1983	636,058	0.20
1982	2,914,314	0.90
1981	4,583,348	1.43

(Deficiency)
+ After allowing for preferred stock at par value.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 16,259,490	$ 10,579,432
Cost of sales	11,995,360	9,280,993
Expenses	4,584,520	2,358,783
Interest expense	874,135	442,705
Prov. for doubtful accts.	26,650	78,000
Other income	(114,728)	(160,564)
Gain on sale of prod. line	(284,011)	—
Prov. for plant phase-out	—	298,500
Minority interest	42,419	—
Net Loss	$ (864,855)	$ (1,718,985)

* Included in Costs and Expenses, Depreciation and Amortization: $465,894 in 1985 and $325,578 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 442,858	$ 81,638
Cash - restricted	1,048,000	—
Accts. & notes receiv., net	5,273,277	935,251
*Inventories	4,370,087	2,254,611
Prepaid expenses & curr. assets	164,500	20,544
Assets held for resale	—	140,145
Current Assets	$ 11,298,722	$ 3,432,189
#Fixed assets	1,348,868	1,328,202
Assets held for resale	—	176,652
Intangibles	4,396,290	—
Other assets	187,190	164,428
Total Assets	$ 17,231,070	$ 5,101,471

Liabilities

Notes payable	$ 2,335,107	$ —
Long-term debt, curr.	1,696,735	179,305
Accts. payable	2,005,596	1,264,670
Accrued liabilities	1,769,981	937,695
Curr. Liabilities	$ 7,807,419	$ 2,381,670
Long-term debt	9,353,033	2,688,001
Deferred inc. taxes & credits	509,063	518,174
Minority interest	45,419	—
+ Preferred stock	532,500	—
‡Common stock	4,990,000	4,990,000
Add. paid-in capital	334,865	—
Retained earnings (deficit)	(6,341,229)	(5,476,374)
Total Liabilities & Shareholders' Equity	$ 17,231,070	$ 5,101,471

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value; convertible.
‡ No par value.

Statistical Summary

Sales to Inventories	3.72	4.69
Working Capital	$3,491,303	$1,050,519
Current Ratio	1.45	1.44
Shareholders' Equity (Deficiency)	$(483,864)	$(486,374)

The Perkin-Elmer Corporation

761 Main Avenue
Norwalk, Connecticut 06859
(203) 762-1000

Officers: Horace G. McDonell, Jr., chairman & chief executive officer; Gaynor N. Kelley, president & chief operating officer; Richard C. Schultz, v.p. & comptroller; James P. Gregory, sr. v.p.-administration & secretary; William W. Chorske, exec. v.p.-finance & administration; Philip C. Danford, treasurer; C. Wendell Bergere, Jr., general counsel & asst. secretary.

Directors: Horace G. McDonell*, chairman of the board; Chester W. Nimitz, Jr.*, E. Russell Eggers, Robert H. Sorenson, J. David Parkinson, John S. Scott*, Charles H. Townes*, James L. Bast, Donald R. Melville, Richard F. Tucker, Joseph F. Abely, Jr., John M. Deutch, Gaynor N. Kelley

*Member of the Executive Committee.

Areas of Work: Products include analytical instruments; semiconductor processing equipment; minicomputers and software systems; electro-optical systems and precision optics; avionics and missile systems; thermal spray technology.

Divisions and Subsidiaries:

Instrument Group - Analytical Instruments

North American Instrument Division
Norwalk, Connecticut

Instrument Sales and Service Division
Norwalk, Connecticut

Bodenseewerk Perkin-Elmer and Co., G.m.b.H.
Uerberlingen, West Germany

Perkin-Elmer Limited
Beaconsfield, England and Llantrisant, Wales

Concurrent Computer Corporation - 32-Bit Minicomputers and Computer Software Systems

Semiconductor Equipment Group - Equipment for Semiconductor Processing

Electron Beam Technology Division
Hayward, California

Microlithographic Division
Wilton, Connecticut

Perkin-Elmer Censor
Vaduz, Liechtenstein

Optical Group - Electro-Optical Systems and Precision Optics

Applied Optics Division
Garden Grove, California

Applied Science Division
Pomona, California

Military Systems Division
Danbury, Connecticut

Space Science Division
Danbury, Connecticut

Systems Operations Division
Danbury, Connecticut

MRJ, Inc.
Fairfax, Virginia

Materials & Surface Technology Group
Surface Technology Systems
Metco Division
Westbury and Hicksville,
New York and Chobham, England

Bodenseewerk Geraetetechnik G.m.b.H. - Avionic Instruments and Missile Systems
Ueberlingen, West Germany

Physical Electronics Division
Eden Prairie, Minnesota

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Pacific

Ticker Symbol: PKN

Number of Employees:

1985	15,515	1982	14,100
1984	15,480	1981	15,402
1983	14,372		

Sales and Earnings

	Net Sales	Net Income
1985	$1,304,612,000	$ 82,133,000
1984	1,182,256,000	66,088,000
1983	1,015,402,000	50,242,000
1982	1,036,774,000	62,669,000
1981	1,115,830,000	82,605,000

	No. of Com. Shares †	Earn. per Share †
1985	44,650,000	$ 1.84
1984	44,466,000	1.49
1983	43,671,000	1.15
1982	43,250,000	1.45
1981	43,150,000	1.92

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Instrument Group	$ 371,000	$ 342,500
Semiconductor Equipment Group	315,900	257,800
Data Systems Group	259,200	233,100
Optical Group	190,600	183,300
METCO	88,200	81,400
Geraetetchnik	96,000	100,300
Inter-Segment	(16,300)	(16,100)
Total	$ 1,304,600	$ 1,182,300

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.545	—	—
1984	0.50	—	—
1983	0.50	—	—
1982	0.485	—	—
1981	0.42	—	2-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 619,328,000	$ 13.87
1984	562,702,000	12.65
1983	515,245,000	11.80
1982	482,703,000	11.16
1981	439,629,000	10.19

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended July 31	1985	1984
Net sales	$ 1,304,612	$ 1,182,256
Cost of sales	732,863	687,633
Expenses	437,525	397,189
Interest expense	15,097	10,429
Interest income	(11,663)	(10,763)
Other expense (income)	(1,272)	(1,060)
Patent settlement	(18,000)	—
Prov. for restruc. oper.	14,095	6,200
Income before taxes	$ 135,967	$ 92,628
Income taxes	53,834	26,540
Net Income	$ 82,133	$ 66,088

* Included in Costs and Expenses, Depreciation and Amortization: $43,399,000 in 1985 and $33,977,000 in 1984.

Assets
(000's)

As of July 31	1985	1984
Cash & other short-term invest.	$ 114,444	$ 105,178
Accts. receiv., net	306,889	289,230
*Inventories	384,418	327,925
Prepaid expenses & other assets	40,638	38,317
Current Assets	$ 846,389	$ 760,650
Marketable securities & time deposits	9,205	9,382
#Fixed assets	227,253	208,686
Other assets	52,136	51,581
Total Assets	$ 1,134,983	$ 1,030,299

Liabilities
(000's)

	1985	1984
Loans payable	$ 90,958	$ 64,517
Accts. payable	111,344	103,027
Accrued payroll	60,900	62,050
Income taxes	37,227	32,658
Other accruals	88,357	77,902
Curr. Liabilities	$ 388,786	$ 340,154
Long-term debt	75,625	83,286
Other liabilities	46,600	39,172
Minority interest	4,644	4,985
+ Common stock	44,399	44,045
Add. paid-in capital	99,804	93,441
Retained earnings	502,370	444,338
Trans. adjustment	(27,245)	(19,122)
Total Liabilities & Shareholders' Equity	$ 1,134,983	$ 1,030,299

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

The Perkin-Elmer Corporation

Statistical Summary

%Income bef. Taxes to Sales	10.42	7.83
%Net Income to Sales	6.30	5.59
%Net Income to Equity	13.26	11.74
Sales to Inventories	3.79	3.61
Debt to Equity	0.27	0.26
Working Capital	$457,603,000	$420,496,000
Current Ratio	2.18	2.24
Shareholders' Equity	$619,328,000	$562,702,000

Personal Computer Products, Inc.

11590 West Bernardo Court
San Diego, California 92127
(619) 485-8411

Officers: Edward W. Savarese, chairman of the board & chief exec. officer; Daniel W. Zipkin, president & chief operating officer; Mehdi M. Kazem, exec. v.p.-manufacturing; Fred H. Young, v.p.-engineering; Glenn R. Zinser, v.p.-finance, secretary & treasurer.

Directors: Edward W. Savarese, chairman; Irwin Roth, Harry J. Saal, Daniel W. Zipkin.

Areas of Work: The Company develops, markets and supplies microcomputers and microcomputer accessory products and technology. Products include a laser printer controller board, which enables the host computer to fully utilize the capacities of certain laser printer engines; an IBM PC-compatible modularized microcomputer and related add-on printed circuit boards; and microprocessor-based printed circuit boards designed to plug into Apple microcomputers.

Transfer Agent(s):

Bank of America National Trust & Savings Association
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PCPI (NASDAQ)

Number of Employees:

1985	34

Plant Footage:

1985	9,400 sq. ft.

Sales and Earnings

	Net Sales	Net Income †
1985	$ 4,496,200	$ (2,296,200)
1984	4,391,100	206,700
1983	1,439,700	87,400

	No. of Com. Shares ‡	Earn. per Share †
1985	1,688,400	$ —
1984	1,417,100	0.15
1983	952,400	0.09

(Loss)
† Including extraordinary gain of $9,600 ($0.01 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ $976,800	$ 0.58
1984	3,273,000	2.31
1983	73,400	0.08

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1985	1984
Sales of prods.	$ 4,015,200	$ 4,730,500
License fees	426,100	501,900
Interest income	54,900	158,700
Total revenues	$ 4,496,200	$ 5,391,100
Cost of sales	4,107,200	3,421,700
Expenses	2,750,200	1,716,700
Inc. (loss) bef. taxes	$ (2,361,200)	$ 252,700
Income taxes (credit)	(65,000)	46,000
Net Income (Loss)	$ (2,296,200)	$ 206,700

* Included in Costs and Expenses, Depreciation and Amortization: $140,700 in 1985 and $38,300 in 1984.

Assets

As of June 30	1985	1984
Cash & cash equiv.	$ 28,680	$ 1,692,100
Accts. receiv., net	854,680	666,100
*Inventories	1,174,000	1,084,300
Prepaid expenses	107,300	131,000
Current Assets	$ 2,164,500	$ 3,573,500
#Fixed assets	441,200	288,000
Other assets	18,100	104,600
Total Assets	$ 2,623,800	$ 3,966,100

Liabilities

Notes payable	$ 625,000	$ —
Accts. payable	617,300	426,800
Accruals	182,500	145,700
Income taxes	—	44,700
Other curr. liabilities	50,800	9,300
Curr. Liabilities	$ 1,475,600	$ 626,500
Other liabilities	171,000	66,300
+ Redeem. preferred stock	300	300
+ + Common stock	17,900	17,900
Add. paid-in capital	2,985,000	2,985,000
Retained earn. (deficit)	(2,026,100)	270,100
Total Liabilities & Shareholders' Equity	$ 2,623,800	$ 3,966,100

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value, convertible.
+ + $0.01 par value.

Statistical Summary

%Inc. bef. Taxes to Sales	—	5.34
%Net Income to Sales	—	4.37
%Net Income to Equity	—	6.32
Sales to Inventories	3.42	4.36
Debt to Equity	0.64	—
Working Capital	$688,900	$2,947,000
Current Ratio	1.47	5.70
Shareholders' Equity	$976,800	$3,273,000

Pioneer-Standard Electronics, Inc.

4800 East 131st Street
Cleveland, Ohio 44105
(216) 587-3600

Officers: Preston Heller, Jr., chairman & chief executive officer; James L. Bayman, president & chief operating officer; Lawrence R. Cowin, Jr., financial vice president, treasurer & asst. secretary; Gerald J. Buddenbaum, Carmen J. Riazzi, Arthur Rhein, Robert S. Stevens, III, v.p.'s; John S. Zarka, secretary.

Directors: Hyde E. Ruble, William C. Fine, Preston Heller, Jr., Victor Gelb, Edwin Z. Singer, Bruce Tucker, John S. Zarka, Frederick A. Downey, James L. Bayman, Thomas C. Sullivan.

Areas of Work: Distributes industrial and consumer electronic components east of the Rocky Mountains. Also operates laboratories for the manufacture, modification and repair of electronic meters and instruments.

Divisions:

Pioneer/Mid-American Division
4433 Interpoint Boulevard
Dayton, Ohio 45424
(513) 236-9900

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Pioneer/Instrumentation Division
4800 East 131st Street
Cleveland, Ohio 44105
(216) 587-3600

Operates laboratories for the manufacture, modification, and repair of electronic meters and instruments. The manufactured products include Magsense lies of solid state sensing devices and the "Peaklok," a peak reading voltmeter.

Pioneer/Northeast Division
60 Crossways Park West
Woodbury, New York 11797

Srepco Division
2290 Arbor Boulevard
Dayton, Ohio 45439
(513) 224-0871

Distributes consumer-type electronic components and units to radio-television repairmen and dealers. Based in Dayton, Ohio, and operates branches in nine other Ohio cities.

Affiliate:

Pioneer Technologies Group, Inc.
(50% owned)
9100 Gaither Road
Gaithersburg, Maryland 20760
(301) 948-0710

Distributes industrial-type electronic components to manufacturers, research laboratories, schools, governmental agencies, and other users.

Transfer Agent(s):

Bank One, Dayton, N.A.
Kettering Tower
Dayton, Ohio 45401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PIOS (NASDAQ)

Number of Employees:

1986	936	1983	1,118
1985	1,042	1982	776
1984	1,142		

Sales and Earnings

	Net Sales	Net Income
1986	$ 202,915,507	$ (2,072,629)
1985	233,372,193	3,671,093
1984	229,586,900	4,123,031
1983	144,176,562	1,111,733
1982	110,664,455	2,577,159

	No. of Com. Shares #	Earn. per Share #
1986	5,401,932	$ —
1985	5,401,932	0.68
1984	5,397,232	0.76
1983	5,384,132	0.21
1982	5,369,096	0.48

(Loss)
Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1986	$0.12	—	—
1985	0.118	—	2-for-1
1984	0.103	—	—
1983	0.093	—	—
1982	0.090	—	—

Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share #
1986	$ 29,418,506	$ 5.45
1985	32,139,367	5.95
1984	29,103,002	5.39
1983	25,463,336	4.72
1982	24,798,476	4.61

Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1986	1985
Net sales	$ 202,015,507	$ 233,372,185
Cost of sales	157,011,829	175,246,674
Expenses	43,585,762	45,759,221
Oper. profit	$ 1,417,916	$ 12,366,290
Other income	8,327	47,367
Minority interest	44,778	803,075
Total	$ 1,471,021	$ 13,216,732
Interest expense	5,567,650	6,903,639
Inc. (loss) bef. taxes	$ (4,096,629)	$ 6,313,093
Income taxes (credit)	(2,024,000)	2,642,000
Net Income (Loss)	$ (2,072,629)	$ 3,671,093

* Included in Costs and Expenses, Depreciation and Amortization: $2,391,674 in 1986 and $2,102,488 in 1985.

Assets

As of March 31	1986	1985
Cash	$ 382,344	$ 137,192
Accts. receiv., net	31,970,623	32,990,624
Refundable income taxes	1,446,661	—
*Inventories	53,781,091	58,596,088
Prepaid expenses	509,771	260,421
Current Assets	$ 88,090,490	$ 91,984,325
Investments & other assets	8,164,371	8,265,930
#Fixed assets	12,876,722	13,472,245
Total Assets	$ 109,131,583	$ 113,722,500

Liabilities

	1986	1985
Notes payable	$ 3,000,000	$ —
Long term debt, curr.	331,261	306,734
Accts. payable	17,910,841	19,891,292
Accruals	1,930,752	2,059,032
Accrued payroll	2,032,446	2,250,769
Income taxes	—	638,268
Curr. Liabilities	$ 25,205,300	$ 25,146,095
Long-term debt	54,290,777	55,622,038
Def. inc. taxes	217,000	815,000
+ Common stock	5,401,932	5,401,932
Add. paid-in capital	1,325,829	1,325,829
Retained earnings	22,690,745	25,411,606
Total Liabilities & Shareholders' Equity	$ 109,131,583	$ 113,722,500

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value, $2 stated value.

Statistical Summary

% Income bef. Taxes to Sales	—	2.71
% Net Income to Sales	—	1.57
% Net Income to Equity	—	11.42
Sales to Inventories	3.76	3.98
Debt to Equity	1.96	1.74
Working Capital	$62,885,190	$66,838,230
Current Ratio	3.49	3.66
Shareholders' Equity	$29,418,506	$32,139,367

Plantronics, Inc.

1762 Technology Drive
Suite 225
San Jose, California 95110
(408) 998-8388

Officers: Neil J. Hynes, president & chief executive officer; Robert Lee, v.p.-human resources; John Tymoczko, Jr., v.p.-strategic planning; Thomas W. Stuart, v.p. & controller; Thomas A. Blinn, sr. v.p.-Telecommunications Group.

Directors: Alan B. Simpkins, Trude C. Taylor, Weldon B. Gibson, Stanley F. Damkroger, Clifford A. Warren, Neil J. Hynes, J. Sidney Webb.

Areas of Work: Manufacture and distribution of lightweight telecommunications headsets, computer controlled data switching systems, telephone transmission products, visual data terminals, data communications products and automated test and measurement equipment for electronic product manufacturers.

Subsidiaries:

Frederick Electronics Corporation
P.O. Box 502
Hayward Road
Frederick, Maryland 21701
(301) 662-5901

Produces solid data switching systems and data communications equipment.

Kentrox Industries, Inc.
14375 N.W. Science Park Drive
Portland, Oregon 97229
(503) 643-1681

Develops and manufactures telephone signal conditioning equipment.

Plantronics/Santa Cruz
345 Encinal Street
Santa Cruz, California 95060
(408) 426-5858

Wilcom Products, Inc.
Rt. 3, Daniel Webster Highway
P.O. Box 508
Laconia, New Hampshire 03246
(603) 524-2622

Telephone test and measurement equipment.

Plantronics Futurecomms, Inc.
P.O. Box 3159
Haywood Road
Frederick, Maryland 21701
(301) 662-5901

Transfer Agent(s):

First Interstate Bank
405 Montgomery Street
San Francisco, California 94104

Stock Exchange(s): New York, Pacific

Ticker Symbol: PLX

Number of Employees:

1985	N.A.	1982	2,166
1984	2,323	1981	1,592
1983	1,880		

N.A. - Not Available

1985	N.A.	1983	625,000 sq. ft.
1984	N.A.		

Sales and Earnings

	Net Sales +	Net Income ‡
1985	$ 88,407,000	$ 5,558,000
1984	88,833,000	5,851,000
1983	80,165,000	8,291,000
1982	88,973,000	9,711,000
1981	74,980,000	11,956,000

	No. of Com. Shares #	Earn. per Share #‡
1985	6,728,000	$ 0.82
1984	6,589,000	0.89
1983	6,538,000	1.27
1982	6,485,000	1.50
1981	6,448,000	1.86

+ Of continuing operations only.
‡ Including extraordinary loss of $816,000 ($0.13 per share) in 1981.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.16	—	—
1984	0.16	—	—
1983	0.16	—	—
1982	0.16	—	—
1981	0.16	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 52,050,000	$ 7.74
1984	90,355,000	13.71
1983	83,671,000	12.86
1982	75,715,000	11.72
1981	67,258,000	10.38

Income Account *

Year ended	6/29/85	6/2/84
Net sales	$ 88,407,000	$ 88,833,000
Cost of sales	50,722,000	50,896,000
Expenses	25,351,000	26,233,000
Corp. expenses	2,769,000	2,543,000
Interest expense	2,074,000	146,000
Prov. for tele. restruc.	(332,000)	7,869,000
Gain on sale of invest.	(517,000)	—
Income before taxes	$ 8,340,000	$ 1,146,000
Income taxes (credit)	3,501,000	(1,756,000)
Inc. - cont. oper.	$ 4,839,000	$ 2,902,000
Inc. - discont. oper.	719,000	2,949,000
Net Income	$ 5,558,000	$ 5,851,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,465,000 in 1985 and $3,265,000 in 1984.

Assets

As of	6/29/85	6/2/84
Cash	$ 942,000	$ 2,202,000
Accts. receiv., net	18,389,000	20,156,000
Due from Zehntel	219,000	1,701,000
*Inventories	33,970,000	30,598,000
Def. inc. taxes	2,795,000	4,133,000
Assets of Zehntel	—	23,393,000
Current Assets	$ 56,315,000	$ 82,183,000
#Fixed assets	25,783,000	26,036,000
Notes receiv.	692,000	535,000
Assets of Zehntel	—	12,884,000
Other assets	5,828,000	2,381,000
Total Assets	$ 88,618,000	$ 124,019,000

Liabilities

	6/29/85	6/2/84
Accts. payable	$ 4,054,000	$ 9,256,000
Long-term debt, curr.	565,000	586,000
Notes payable	16,100,000	7,700,000
Accruals	4,998,000	5,666,000
Income taxes	1,671,000	916,000
Curr. Liabilities	$ 27,388,000	$ 24,124,000
Long-term debt	5,490,000	6,097,000
Deferred inc. taxes	3,690,000	3,443,000
+ Common stock	12,154,000	13,922,000
Retained earnings	42,054,000	77,430,000
Notes receivable for stockholder	(2,149,000)	(997,000)
Total Liabilities & Shareholders' Equity	$ 88,618,000	$ 124,019,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

% Net Income to Equity	10.68	6.48
Sales to Inventories	2.60	2.90
Debt to Equity	0.43	0.16
Working Capital	$28,927,000	$58,059,000
Current Ratio	2.06	3.41
Shareholders' Equity	$52,050,000	$90,355,000

Porta Systems Corp.

575 Underhill Boulevard
Syosset, New York 11791
(516) 364-9300

Porta Systems Corp.

Officers: Paul V. DeLuca, chairman of the board & chief executive officer; Vincent F. Santulli, president & chief operating officer; William V. Carney, sr. v.p.-Connector Products; Garet M. Romeo, exec. v.p.; Eladio Rodriguez, v.p.-Caribbean operations; Michael A. Tancredi, v.p.-finance & treasurer; John Gazzo, v.p.-research & development; Geoffrey W. Crowley, v.p.-marketing; Warren Marcus, v.p.-Electronic Products; Jane M. Jozefek, v.p. & general counsel; Giovanni Magistrali, v.p.-operations; Daniel J. Fleming, controller.

Directors: Paul V. DeLuca, chairman; Vincent F. Santulli, William V. Carney, Michael A. Tancredi, Paul Kelly, Thomas Connors, Leopold P. Oberst, Garet M. Romeo.

Areas of Work: Designs and manufactures telecommunications systems and equipment for telephone operating companies, and suppliers and manufacturers of telecommunications systems and equipment. Major products include equipment used to connect lines and trunks entering central offices with central office equipment, and to provide electrical protection to switching equipment and office personnel; and computer-based electronic systems for testing and identifying faults with subscriber lines and central office switching equipment.

Subsidiaries:

Porta System-Caribbean Corp.
Guaynabo, Puerto Rico

Porta Systems Limited
Swindon, England

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): American

Ticker Symbol: PSI

Number of Employees:

1985 550

Plant Footage:

1985 177,660 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 40,516,912	$ 2,840,729
1984	29,433,994	1,798,080
1983	22,953,112	572,485
1982	23,120,721	2,468,947
1981	19,096,695	1,973,096

	No. of Com. Shares #	Earn. per Share #
1985	5,461,060	$ 0.52
1984	5,461,560	0.33
1983	5,458,260	0.11
1982	5,448,410	0.45
1981	5,446,310	0.36

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	3-for-2
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 21,717,239	$ 3.98
1984	18,846,358	3.45
1983	16,985,053	3.11
1982	16,389,603	3.01
1981	13,876,220	2.55

‡ Based on the weighted number of common shares and common share, equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 40,516,912	$ 29,433,994
Cost of sales	24,096,180	16,919,017
Expenses	12,396,872	10,309,550
Other expense	1,183,131	1,144,790
Cum. effect of accounting change	—	(737,443)
Net Income	$ 2,840,729	$ 1,798,080

* Included in Costs and Expenses, Depreciation and Amortization: $791,450 in 1985 and $649,743 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,351,600	$ 567,874
Accts. receiv., net	14,675,053	11,705,538
*Inventories	21,842,753	17,444,913
Prepaid expenses & other assets	148,832	147,388
Current Assets	$ 39,018,238	$ 29,865,713
#Fixed assets	4,772,554	4,005,432
Def. computer software	1,748,266	2,087,342
Intangibles	74,156	86,438
Employee loans	1,017,050	—
Debt issuance expenses	1,098,723	—
Defer. charges	331,992	329,800
Total Assets	$ 48,060,979	$ 36,374,725

Liabilities

	1985	1984
Loans payable	$ —	$ 10,570,000
Accts. payable	5,411,910	5,712,888
Accruals	1,886,280	1,245,479
Curr. Liabilities	$ 7,298,190	$ 17,528,367
Long-term liab.	19,045,550	—
+ Common stock	54,643	54,643
Add. paid in capital	7,391,433	7,360,781
Retained earnings	14,274,413	11,433,684
Treasury stock	(3,250)	(2,750)
Total Liabilities & Shareholders' Equity	$ 48,060,979	$ 36,374,725

* At lower of cost (FIFO) or market
# Less accumulated depreciation & amortization
+ $0.01 par value

Statistical Summary

	1985	1984
%Net Income to Sales	7.01	6.11
%Net Income to Equity	13.08	9.54
Sales to Inventories	1.85	1.69
Working Capital	$31,720,048	$12,337,346
Current Ratio	5.35	1.70
Shareholders' Equity	$21,717,239	$18,846,358

Powell Industries, Inc.

8550 Mosley Drive
Houston, Texas 77075
(713) 944-6900

Mailing address:
P.O. Box 12818
Houston, Texas 77217
(713) 944-6900

Officers: Thomas W. Powell, chairman of the board, president, & chief executive officer; Glenn D. Aurr, W.E. DeHart, v.p.'s-Powell Electrical Mfg. Co.; Robert L. Mitchell, v.p., secretary & treasurer; Mauro G. Togneri, president-Powell Process Systems, Inc.; N.A. Holian, president-Unibus, Inc.; Adam Janas, president-Delta Unibus, Inc.; Larry D. Davis, president-U.S. Turbine Corp.; W.C. Sargent, president-Raintight Corporation.

Directors: Thomas W. Powell, chairman; Nathaniel H. Conder, Jesse R. Milam, Jr., Elbert D. Stewart, George W. Hansen, Stephen W. Seale, Jr.

Areas of Work: Designs, manufactures, and markets electrical power distribution and control systems, pre-packaged electrical and instrumentation control room buildings, patented and proprietary electronic and computerized process control products and systems and digital control valves.

Divisions and Subsidiaries:

Powell Electrical Manufacturing Company
P.O. Box 12818
8550 Mosley Drive
Houston, Texas 77075
(713) 944-6900

Powell-Process Systems, Inc.
P.O. Box 12848
8540 Mosley Drive
Houston, Texas 77075
(713) 947-9470

Powell-Magnetics Industries, Inc.
P.O. Box 12848
Houston, Texas 77217
(713) 947-9470

Powell Industries Offshore
16535 Jacinto Port Boulevard
Channelview, Texas 77530
(713) 452-4885

Unibus, Inc.
15242 Foltz Industrial Pkwy.
Strongville, Ohio 44136
(216) 238-7035

Manufactures custom-designed bar and cable bus systems for utilities, general industry and research and development facilities.

Delta-Unibus Corporation
11323 West Franklin Avenue
Franklin Park, Illinois 60131
(312) 451-1982

Manufactures isolated phase bus duct used primarily in high reliability, maximum protection power generation applications.

U.S. Turbine Corporation
7685 South State Route 48
Maineville, Ohio 45039
(513) 683-6100

Manufactures gas turbine generator sets for utilities and general industry, including cogeneration systems.

Raintight Corporation
7735 East Little York Road
Houston, Texas 77016
(713) 635-1293

Designs and manufactures modular buildings.

Transfer Agent(s):

InterFirst Bank Houston, N.A.
Trust Department
P.O. Box 2555
InterFirst Plaza
Houston, Texas 77001

Stock Exchange(s): Over-the-Counter

Ticker Symbol: POWL (NASDAQ)

Number of Employees:

1985 576 1983 346
1984 N.A.

Plant Footage:

1985 485,750 sq. ft. 1983 334,000
1984 N.A.

N.A. - Not Available.

Sales and Earnings

	Revenues +	Net Income
1985	$ 65,601,000	$ (2,607,000)
1984	61,558,000	1,060,000
1983	56,389,000	1,755,000
1982	61,816,000	1,252,000
1981	59,879,000	2,502,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	10,204,482	$ —
1984	10,204,482	0.10

1983	10,204,482	0.17
1982	10,204,482	0.12
1981	10,203,518	0.25

(Loss)
+ Of continuing operations only
‡ Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electronics distribution equipment	$ 59,600,000	$ 49,751,000
Process control indust.	6,001,000	11,807,000
Total	$ 65,601,000	$ 61,558,000

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 20,594,000	$ 2.02
1984	23,201,000	2.27
1983	22,141,000	2.17
1982	20,403,000	2.00
1981	19,160,000	1.88

‡ Based on the average number of shares outstanding

Income Account *

Year ended Oct. 31	1985	1984
Revenues	$ 65,601,000	$ 61,558,000
Cost of sales	57,898,000	45,947,000
Expenses	11,830,000	10,578,000
Interest expense	1,259,000	861,000
Res. & develop.	1,247,000	1,515,000
Inc. (loss) bef. taxes	$ (6,633,000)	$ 2,657,000
Income taxes (credit)	(4,026,000)	1,597,000
Net Income (Loss)	$ (2,607,000)	$ 1,060,000

* Included in Costs and Expenses, Depreciation and Amortization: $$2,191,000 in 1985 and 1,795,000 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 615,000	$ 374,000
Accts. receiv., net	13,502,000	11,925,000
Refund. inc. taxes	2,087,000	263,000
*Inventories	18,368,000	12,639,000
Prepaid expenses	589,000	326,000
Deferred income taxes	1,048,000	79,000
Current Assets	$ 36,209,000	$ 25,606,000
#Fixed assets	15,296,000	15,979,000
Other assets	2,220,000	2,465,000
Total Assets	$ 53,725,000	$ 44,050,000

Liabilities

Long-term debt, curr.	$ 669,000	$ 189,000
Accts. payable	8,950,000	3,566,000
Accruals	1,851,000	2,848,000
Accrued payroll	—	1,908,000
Income taxes	1,571,000	153,000
Progress billings	423,000	309,000
Curr. Liabilities	$ 13,464,000	$ 8,973,000
Long-term debt	15,138,000	7,725,000
Deferred inc. taxes	1,946,000	3,179,000
Deferred comp.	2,583,000	972,000
+Common stock	102,000	102,000
Add. paid-in capital	2,903,000	2,903,000
Retained earnings	17,589,000	20,196,000
Total Liabilities & Shareholders' Equity	$ 53,725,000	$ 44,050,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.32
%Net Income to Sales	—	1.72
%Net Income to Equity	—	4.57
Debt to Equity	0.77	0.34
Working Capital	$22,745,000	$16,460,000
Current Ratio	2.69	2.78
Shareholders' Equity	$20,594,000	$23,201,000

Pratt-Read Corporation

Ivoryton, Connecticut 06442
(203) 767-8282

Officers: Peter H. Comstock, chairman of the board; Harwood B. Comstock, president & chief executive officer; Charles A. Ruhe, secretary & treasurer; Gerald B. LeVasseur, controller.

Directors: Peter H. Comstock, chairman; John H. Bloodgood, James E. Chandler, Carter S. Evans, Stuart C. Hemingway, Jr., Robert E. McGill, III, Henry Z. Steinway, James H. Tucker, Charles A. Ruhe, Harwood B. Comstock.

Divisions and Subsidiaries:

The Bristol Saybrook Company
Old Saybrook, Connecticut 06475
(203) 388-3414

Synchronous motors for timing devices, such as chart drives, time recording equipment, humidifiers and ice makers; elapsed time, fixed interval, time delay and repeat cycle timers.

Allen-Rogers Corporation
Laconia, New Hampshire 03246
(603) 524-2060

Turned and shaped wood products for household appliances, toys and games, furniture, sporting goods, small tools, brushes and utensils.

Altron, Inc.
27 West Broad Street
Pawcatuck, Connecticut

Bobbin-wound and multiple-wound coils for motors, relays and solenoid valves; transformers and chokes for the communications field.

The Cornwall & Patterson Company
Bridgeport, Connecticut 06605
(203) 366-4911

Piano hardware for actions and cases; screwdriver blades, awls, chisels, tack pullers, power bits and wire forms; pins, paper fasteners and metal stampings.

Pratt, Read & Co.
Ivoryton, Connecticut 06442
(203) 767-8282

Piano keyboards and actions; plastic and metal keyboard assemblies, printed circuits and switching devices for electronic organs. Squares and dowels for turned wood products.

American Keyboard Company
Deep River, Connecticut

Manufactures plastic and metal keyboard assemblies, and printed circuit boards and switching devices for electric organ and synthesizer producers.

Sohmer & Co., Inc.
Ivoryton, Connecticut 06442

Manufactures vertical and grand pianos.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: PRA

Number of Employees:

1985	952	1982	1,100
1984	1,150	1981	1,400
1983	1,250		

Plant Footage:

1985	735,400 sq. ft.	1982	715,000
1984	715,000	1981	715,000
1983	715,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 35,672,000	$ (1,578,000)
1984	40,818,000	414,000
1983	35,812,000	785,000
1982	37,672,000	1,225,000
1981	37,825,000	1,172,000

	No. of Com. Shares	Earn. per Share †
1985	1,543,873	$ —
1984	1,543,873	0.16
1983	1,543,873	0.40
1982	1,543,873	0.68
1981	1,543,873	0.65

(Loss)
+ Of continuing operations only
† Based on the weighted average number of shares outstanding

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Wood products	$19,600	54%	$24,100	58%
Metal shaping	9,300	26	9,000	21
Electromechanical items	7,500	20	8,700	21
Intercompany sales	(700)	—	(1,000)	—
Total	$35,700	100%	$40,800	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.13	—	—
1984	0.30	—	—
1983	0.30	—	—
1982	0.30	—	—
1981	0.30	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 12,684,205	$ 8.22
1984	14,634,777	9.48
1983	14,855,292	9.62
1982	14,704,350	9.52
1981	14,114,212	9.14

‡ After allowing for preferred stock at stated value of $12 per share.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 35,672,252	$ 40,818,012
Cost of sales	33,292,594	35,970,906
Expenses	4,115,399	3,900,856
Interest expense	125,016	162,173
Other charges	542,259	119,304
Inc. (loss) bef. taxes	$ (2,403,016)	$ 664,773
Income taxes (credit)	(824,517)	250,711
Net Income (Loss)	$ (1,578,499)	$ 414,062

* Included in Costs and Expenses, Depreciation and Amortization: $1,276,622 in 1985 and $1,271,690 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 28,771	$ 314,490
Accts. & notes receiv., net	4,374,473	4,977,417
Inc. taxes recov.	941,034	165,669
*Inventories	7,117,823	8,821,303
Prepaid expenses	167,644	196,553
Current Assets	$ 12,629,745	$ 14,475,432
#Fixed assets	7,361,668	7,809,514
Investments	116,400	—
Other assets & defer. charges	110,558	110,214
Total Assets	$ 20,218,371	$ 22,395,160

Liabilities

Notes payable	$ 84,481	$ —
Accts. payable	1,169,105	1,305,448
Accrued payroll	414,066	581,393
Dividends payable	42,843	158,637
Income taxes	—	50,557
Other liabilities	1,005,130	793,716
Long-term debt, curr.	95,372	77,286
Curr. Liabilities	$ 2,810,997	$ 2,967,037
Long term debt	699,977	795,349
Deferred compensation	210,665	234,453
Deferred income taxes	590,551	541,568
+ Preferred stock	3,221,976	3,221,976
+ + Common stock	2,333,413	2,333,413
Add. paid-in capital	619,500	619,500
Retained earnings	9,857,668	11,808,240
Treasury stock	(126,376)	(126,376)
Total Liabilities & Shareholders' Equity	$ 20,218,371	$ 22,395,160

* At lower of cost (LIFO) or market.

# Less accumulated depreciation.

+ $12 stated value, Series A, $0.66 cumulative convertible.

+ + $1.50 par value.

Statistical Summary

%Income before Taxes to Sales	—	1.63
%Net Income to Sales	—	1.01
%Net Income to Equity	—	2.32
Sales to Inventories	5.01	4.63
Debt to Equity	0.06	0.05
Working Capital	$ 9,818,748	$11,508,395
Current Ratio	4.49	4.88
Shareholders' Equity	$15,906,181	$17,856,753

Premier Industrial Corporation

4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300

Officers: Morton L. Mandel, chairman of the board; Jack N. Mandel, finance committee chairman; Joseph C. Mandel, exec. committee chairman; Robert Warren, president; William M. Hamilton, sr. v.p.; Philip S. Sims, sr. v.p. & treasurer; Grant C. Grinnell, v.p. & secretary; J. Robert McCabe, Richard B. Batts, Denis M. Bohm, Bruce W. Johnson, David R. Eva, Denis A. Moore, William H. Barnes, v.p.'s; Phillip Vander Pol, v.p. & controller.

Directors: John C. Colman, John A. Gelbach, Jack N. Mandel, Joseph C. Mandel, Morton L. Mandel, Hugh Calkins, Harvey Mahlig, Robert Warren.

Areas of Work: Broad line distributor of electronic components used in the production and maintenance of equipment, a supplier of maintenance products for industrial, commercial and institutional applications, and a manufacturer of high-performance fire-fighting accessories.

Divisions and Subsidiaries:

Electronics Distribution Group

Newark Electronics
500 North Pulaski Street
Chicago, Illinois 60624
(312) 638-4411
Electronic components and equipment including semiconductors, integrated circuits, switches, relays, test and sound equipment, capacitors, resistors and connectors.

Cadillac Electric
20700 Hubbell Avenue
Oak Park, Michigan 48237
(313) 967-1221
Electrical items including wire and cable, roughing-in materials, motor controls, distribution equipment, lamps, fuses, wiring devices and other electrical maintenance products.

Trexon Electronics
Electronic components including switches, relays, capacitors, resistors, connectors, semiconductors, integrated circuits and test equipment.

Hoffman Industrial Products
170 Allen Boulevard
Farmingdale, New York 11735
(516) 293-5244
National supplier of electrical and related products.

Car-lac Electronics
75 Orville Drive
Bohemia, New York 11716
(516) 567-4200
Electronic interconnection devices and associated hardware.

MCM Electronics
858 E. Congress Park Drive
Centerville, Ohio 45459
(513) 4340031
Electronic components and equipment for the installation and repair of consumer and commercial equipment.

Industrial Maintenance Products Group

Brooks Technology
3304 East 87th Street
Cleveland, Ohio 44127
(216) 641-5100
Industrial and specialty greases, open gear lubricants, gear oils, corrosion preventives, cutting and grinding fluids, wire rope lubricants, roll oils, and drawing and forging compounds.

C-T Engineering
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Heavy-duty fasteners, special hardware and parts for construction transportation equipment.

Certanium Alloys and Research
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Special welding electrodes, brazing alloys, fluxes, solders, and welding aids.

Premier Fastener
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
High performance cap screws, nuts, washers, screws, specialty fasteners and industrial shop supplies.

Premier Autoware
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Replacement parts for cars and trucks, including special hardware and shop supplies.

J.I. Holcomb
4500 Euclid Avenue
Cleveland, Ohio 44103
(216 391-8300
Cleaners, disinfectants, degreasers and protective coatings for industrial, commercial, and institutional applications. Insecticides, floor conditioners and floor maintenance products.

Kent Industries
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Adhesives, cements, sealants, caulks, cleaners and related application equipment for the automotive and marine industries.

Rotanium Products
4500 Euclid Avenue
Cleveland, Ohio 44103
(216) 391-8300
Electrical systems components and other specialty products such as industrial lamps, terminals, connectors, fittings, clamps and building hardware.

TPC Wire & Cable
20700 Hubbell Avenue
Oak Park, Michigan 48237
(313) 967-0582
Extra heavy-duty electrical cord, cable and associated devices.

D-A Lubricant Company, Inc.
1340 West 29th Street
Indianapolis, Indiana 46208
(317) 923-5321
Engine oils and greases for heavy-duty diesel driven equipment.

Maintenance, Inc.
1051 West Liberty Street
Wooster, Ohio 44691
(216) 264-6262
Coatings to protect and color off-street asphalt and concrete pavements and recreational areas.

Fire Fighting Products Group

Akron Brass Co.
Spruce Street
P.O. Box 86
Wooster, Ohio 44691
(216) 264-5100
Fire-fighting components including nozzles, hose couplings, valves and specialized fire-fighting equipment.

Western Fire Equipment Co.
440 Valley Drive
Brisbane, California 94005
(415) 467-5650
Forestry, municipal and industrial fire-fighting equipment, including portable tanker units, protective clothing and specialized fire-fighting tools.

Transfer Agent(s):

AmeriTrust Company
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): New York

Ticker Symbol: PRE

Number of Employees:

1985	N.A.	1982	3,100
1984	3,300	1981	3,100
1983	2,900		

Plant Footage:

1985	N.A.	1982	1,510,000
1984	1,810,000 sq. ft.	1981	1,485,000
1983	1,800,000		

N.A. - Not Available.

Sales and Earnings

	Oper. Revenues	Net Income
1985	$ 432,256,000	$ 38,505,000
1984	377,593,000	38,350,000
1983	317,423,000	30,984,000
1982	332,215,000	34,589,000
1981	317,470,000	32,446,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	29,503,138	$ 1.31
1984	30,827,760	1.24
1983	31,288,839	0.99
1982	31,329,681	1.10
1981	31,297,275	1.04

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Industrial maintenance	$ 136,563,000	$ 126,734,000
Fire-fighting products	27,938,000	26,700,000
Electronic & electrical components	267,755,000	224,159,000
Total	$ 432,256,000	$ 377,593,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.347	—	3-for-2
1984	0.293	—	—
1983	0.280	—	—
1982	0.253	—	—
1981	0.227	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 205,416,000	$ 6.96
1984	177,265,000	5.75
1983	184,885,000	5.91
1982	164,977,000	5.27
1981	138,586,000	4.43

+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended May 31	1985	1984
Oper. revenues	$ 432,256,000	$ 377,593,000
Other income	4,023,000	6,238,000
Revenues	$ 436,279,000	$ 383,831,000
Cost of sales	239,806,000	208,307,000
Expenses	116,881,000	99,299,000
Income taxes	4,077,000	3,556,000
Depreciation & amortization	9,147,000	4,513,000
Interest expense	348,000	427,000
Income before taxes	$ 66,020,000	$ 67,729,000
Income taxes	27,515,000	29,379,000
Net Income	$ 38,505,000	$ 38,350,000

Assets

As of May 31	1985	1984
Cash	$ 45,694,000	$ 35,500,000
Receiv., net	66,817,000	62,470,000
*Inventories	66,408,000	58,591,000
Prepaid expenses	14,008,000	11,427,000
Current Assets	$ 192,927,000	$ 167,988,000
#Fixed assets	33,753,000	28,611,000
Other assets	29,941,000	32,879,000
Total Assets	$ 256,621,000	$ 229,478,000

Liabilities

	1985	1984
Long-term debt, curr	$ 1,025,000	$ 72,000
Payables	17,251,000	23,468,000
Accruals	14,290,000	12,415,000
Income taxes	474,000	3,097,000
Curr. Liabilities	$ 33,040,000	$ 39,052,000
Deferred inc. taxes	16,989,000	12,776,000
Long-term debt	1,176,000	385,000
+ Common stock	29,905,000	21,176,000
Add. paid in capital	—	1,437,000
Retained earnings	190,266,000	201,516,000
Foreign currency translation	(1,655,000)	(1,389,000)
Treasury stock	(13,100,000)	(45,475,000)
Total Liabilities & Shareholders' Equity	$ 256,621,000	$ 229,478,000

* At lower of cost (FIFO or LIFO) or market
# Less accumulated depreciation
+ $1 par value

Statistical Summary

%Income bef. Taxes to Revenues	15.13	17.94
%Net Income to Revenues	8.83	10.16
%Net Income to Equity	18.74	21.63
Debt to Equity	0.01	2.58
Working Capital	$159,887,000	$128,936,000
Current Ratio	5.84	4.30
Shareholders' Equity	$205,416,000	$177,265,000

PRIME Computer, Inc.

Prime Park
Natick, Massachusetts 01760
(617) 655-8000

Officers: David J. Dunn, chairman of the board; Joe M. Henson, president & chief executive officer; Edward J. Christiansen, v.p.-engineering operations & custom systems; David J. Collard, v.p.-finance, administration, planning, chief financial officer & treasurer; Richard L. Ballantyne, v.p., gen. counsel & secretary; Richard B. Goldman, corporate controller; Gale R. Aguilar, v.p.-corporate business development & strategy; W.L. Brubaker, v.p.-sales; Marvin G. Kirby, v.p.-domestic sales; John T. Maske, sr. v.p.-corp. operations & programs; D. Cheesman, v.p.-international development; Andrew C. Knowles III, v.p.-CAD/CAM and workstations terminals group; Leonard F. Halio, v.p.-small systems business group; Richard B. Snyder, v.p.-software development; Lawrence M. Bornstein, v.p.-human resources; Mel Friedman, v.p.-manufacturing & service; Richard L. Williams, v.p.-international marketing operations; Stephen C. Kiely, v.p.-systems marketing & development.

Directors: David J. Dunn*, chairman; Frank P. Brunetta, John S. Dulaney*, Harold A. Strickland, Jr., Joe M. Henson*, John E. Sheehan, John E. Nolan, Jr.

* Member of the Executive Committee

Areas of Work: Design, manufacture, sale and service of small and medium size general purpose digital computers and interactive computer systems.

Subsidiaries:

Prime Computer (U.K.) Limited (United Kingdom)
Prime Computer GmbH (West Germany)
Prime Informatique, S.A. (France)
Prime Computer Scandinavia AB
Prime Computer International Sales Corporation

Transfer Agent(s):

The First National Bank of Boston
Shareholder Services Division
P.O. Box 644
Boston, MA 02102

Stock Exchange(s): New York

Ticker Symbol: PRM

Number of Employees:

1985	8,115	1982	5,311
1984	7,348	1981	4,636
1983	5,927		

Sales and Earnings

	Net Sales	Net Income
1985	$ 769,673,000	$ 57,782,000
1984	642,779,000	59,712,000
1983	516,503,000	32,503,000
1982	435,826,000	44,926,000
1981	364,787,000	37,678,000

	No. of Com. Shares +	Earn. per Share +
1985	48,160,714	$ 1.20
1984	47,910,678	1.25
1983	47,863,089	0.68
1982	45,512,862	0.99
1981	45,085,943	0.84

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	--	—	3-for-2
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 383,302,000	$ 7.96
1984	325,002,000	6.78
1983	268,179,000	5.60
1982	228,907,000	5.03
1981	142,458,000	3.16

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 769,673,000	$ 642,779,000
Cost of sales	358,408,000	301,663,000
Expenses	251,577,000	203,702,000
Prod. devel. & eng.	81,805,000	64,062,000
Income expense	(842,000)	1,014,000
Other expense	1,682,000	2,035,000
Income before taxes	$ 77,043,000	$ 70,303,000
Income taxes	19,261,000	10,591,000
Net Income	$ 57,782,000	$ 59,712,000

* Included in Costs and Expenses, Depreciation and Amortization: $49,663,000 in 1985 and $39,750,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 67,946,000	$ 41,292,000
Accts. receiv., net	220,739,000	174,985,000
*Inventories	82,885,000	96,102,000
Prepaid exp. & deposits	15,021,000	9,735,000
Current Assets	$ 386,591,000	$ 322,114,000
#Fixed assets	186,764,000	158,234,000
Other assets	23,958,000	21,691,000
Total Assets	$ 597,313,000	$ 502,039,000

Liabilities

	1985	1984
Notes payable	$ 2,503,000	$ 3,490,000
Equip. lease oblig., curr.	1,983,000	3,632,000
Accts. payable	35,570,000	32,282,000
Accrued payroll	26,691,000	17,454,000
Deferred revenue	8,388,000	5,418,000
Income taxes	1,099,000	168,000
Deferred inc. taxes	7,697,000	7,086,000
Other curr. liab.	33,660,000	19,154,000
Curr. Liabilities	$ 117,591,000	$ 88,684,000
Notes payable	10,000,000	10,000,000
Equip. lease oblig.	4,763,000	5,355,000
Other liab.	—	1,370,000
Deferred inc. taxes	81,657,000	71,628,000
+ Common stock	602,000	600,000
Add. paid-in capital	103,658,000	101,486,000
Retained earnings	292,886,000	235,104,000
Cumulative translation adjustment	(5,684,000)	(8,891,000)
Treasury stock	(8,160,000)	(3,297,000)
Total Liabilities & Shareholders' Equity	$ 597,313,000	$ 502,039,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.0125 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.94	10.01
%Net Income to Sales	9.29	7.51
%Net Income to Equity	18.37	15.07
Sales to Inventories	6.69	9.29
Debt to Equity	0.07	0.05
Working Capital	$233,430,000	$269,000,000
Current Ratio	3.63	3.29
Shareholders' Equity	$325,002,000	$383,302,000

Princeton Electronic Products, Inc.

P.O. Box 101
North Brunswick, New Jersey 08902
(201) 297-4448

NOTE: On May 1, 1981 the Company filed a petition for reorganization under Chapter XI of the Bankruptcy Act. On Aug. 18, 1982, the Court confirmed the plan of reorganization.

Officers: Hyman Center, president; Lloyd D. Feld, secretary.

Directors: Hyman Center, Lloyd D. Feld, George A. Gade.

Princeton Electronic Products, Inc.

Areas of Work: Manufactures and sells real time, digital, scan converters, image processors and video line rate converters used in radar and sonar display systems, medical electronics, facsimile transmission and, conversion of high-resolution line rates to lower line rates and vice-versa, enabling users to transfer converted high-resolution images to video tape, video disk or computers. All products provide interfaces to all computers.

Transfer Agent(s):

American Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: PELT (NASDAQ)

Number of Employees:

1985	12	1982	17
1984	N.A.	1981	N.A.
1983	N.A.		

N.A.-Not Available.

Plant Footage:

1985	14,000 sq. ft.	1982	14,000
1984	14,000	1981	14,000
1983	14,000		

Sales and Earnings

	Net Sales	Net Income #
1985	$ 510,686	$ (19,566)
1984	617,839	3,595
1983	842,346	476,764
1982	1,132,214	10,241
1981	1,211,338	(414,028)

	No. of Com. Shares ‡	Earn. per Share #‡
1985	7,340,347	$ —
1984	7,340,347	—
1983	6,026,268	0.08
1982	1,468,102	0.01
1981	1,378,246	—

(Loss)
Including extraordinary gains of $573 in 1984 and $478,561 ($0.08 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 582,931†	$ 0.08
1984	591,446†	—
1983	584,338†	0.10
1982	575,689†	0.39
1981	84,998	0.06

‡ Based on the weighted average number of common shares and common shares equivalents outstanding.
† After allowing for preferred stock at stated value.

Income Account *

Year ended May 31	1985	1984
Net sales	$ 510,686	$ 617,839
Interest income	10,006	2,479
Gain on sale of fixed assets	300	35,000
Total revenues	$ 520,992	$ 655,318
Cost of sales	311,346	455,214
Research & development	62,821	—
Expenses	166,391	175,277
Interest expense	—	4,732
Bad debt exp.	—	16,794
Inc. (loss) bef. taxes	$ (19,566)	$ 3,301
Income taxes	—	279
Net Income (Loss)	$ (19,566)	$ 3,022
Extraord. gain	—	573
Net Income (Loss) & extraord. gain	$ (19,566)	$ 3,595

* Included in Costs and Expenses, Depreciation and Amortization: $18,375 in 1985 and $26,782 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 324,090	$ 153,520
Notes receivable	1,870	21,438
Accts. receiv., net	49,157	59,690
*Inventories	433,628	457,977
Prepaid expenses	3,198	11,772
Current Assets	$ 811,943	$ 704,397
#Fixed assets	26,138	37,708
Security deposits	3,083	3,083
Intangibles	36,185	40,922
Notes receivable	—	1,870
Total Assets	$ 877,349	$ 787,980

Liabilities

	1985	1984
Notes payable	$ 118,759	$ 17,924
Accts. payable	47,784	29,543
Accruals	29,742	28,682
Income taxes	556	762
Curr. Liabilities	$ 196,841	$ 76,911
Other liabilities	—	17,925
+ Preferred stock	97,577	101,698
+ Common stock	1,431,164	1,420,113
Add. paid-in capital	1,111,170	1,111,170
Deficit	(1,959,403)	(1,939,837)
Total Liabilities & Shareholders' Equity	$ 877,349	$ 787,980

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	—	0.53
%Net Income to Sales	—	0.49
%Net Income to Equity	—	0.44
Sales to Inventories	1.18	1.35
Debt to Equity	0.17	0.03
Working Capital	$615,102	$627,486
Current Ratio	4.12	9.16
Shareholders' Equity	$680,508	$693,144

The Pullman-Peabody Company

(formerly Pullman Transportation Company, Inc.)

182 Nassau Street
Princeton, New Jersey 08540
(609) 683-1770

Officers: James R. Shepley, chairman of the board; Thomas M. Begel, president & chief executive officer; Owen F. Leonard, v.p. & chief financial officer; Andrew M. Massimilla, v.p.-operations; William D. Sivitz, v.p. & general counsel; Peyton H. Houston, secretary.

Directors: Toufic Aboukhater, Thomas M. Begel, George A. Chandler, Andrew J. Chitiea, James E. Donlan, Alan W. Drew, Gerald R. Ford, Jane Mack Gould, Said Khoury, Robert A. Levinson, John E. McConnaughy, Jr., F. Patrick McFadden, Jr., Edward A. Montgomery, Jr., Paul M. Montrone, Wilbur L. Ross, Jr., James R. Shepley, Steven Shulman.

Areas of Work: Manufactures engineered systems and components for the aerospace, communications, defense, transportation, energy and environmental industries. It is involved in the specialized markets for aircraft seating, food-service equipment, truck trailers, weapons-arming devices, automotive stampings, temperature-monitoring instruments, and fluid-handling systems.

Divisions and Subsidiaries:

REDM Industries
Manufactures computer and telecommunications components.

Rexon Technology Corp.
Manufactures electronic and electromechanical components of weapon systems for the Defense Department.

Eby Company
Produces a broad line of interconnect devices for electronic industries.

Hyperion Industries Corporation
Manufacture of power supplies and transformers for commercial and military applications.

Techniplast, Inc.
Custom injection and blow molder of thermoplastic materials.

Trailmobile.
Manufactures truck trailers.

PTC Aerospace, Inc.
Manufactures aircraft seating, galleys, and food service systems.

Pullman Technology Inc.
Railcar engineering services.

Transfer Agent(s):

Mellon Bank, N.A.
Stock Transfer
Commerce Court
Four Station Square
Pittsburgh, PA 15219

Stock Exchange(s): New York

Ticker Symbol: PMN

Number of Employees:

1985 8,000

Plant Footage:

1985 . . . . . . 3,878,000 sq. ft.

Sales and Earnings

	Revenues +	Net Income ‡
1985	$ 318,554,000	$ 14,090,000
1984	214,198,000	10,488,000
1983	—	(41,633,000)
1982	—	(18,827,000)
1981	—	8,998,000

	No. of Com. Shares	Earn. per Share ‡†
1985	21,105,256	$ 0.64
1984	20,917,314	0.51
1983	8,747,525	—
1982	8,706,179	—
1981	8,706,179	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $4,880,000 ($0.22 per share) in 1985 and $4,824,000 ($0.24 per share) in 1984.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 32,606,000	$ 1.54
1984	18,283,000	0.87

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Revenues	$ 318,554	$ 214,198
Cost of sales	267,770	180,692
Expenses	32,189	20,807
Interest expense	2,803	1,877
Interest income	(440)	(646)
Other income	(1,378)	(832)
Income before taxes	$ 17,610	$ 12,300
Income taxes	8,400	5,658
Income from cont. oper.	$ 9,210	$ 6,642
Loss from discont. oper.	—	(978)
Net Income	$ 9,210	$ 5,664
Extraord. gain	4,880	4,824
Net Income & extraord. gain	$ 14,090	$ 10,488

* Included in Costs and Expenses, Depreciation and Amortization: $3,882,000 in 1985 and $1,977,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & short-term invest.	$ 9,369	$ 21,980
Accts. receiv., net	31,083	27,522
*Inventories	43,709	36,372
Prepaid expenses	3,239	584
Current Assets	$ 87,400	$ 86,458
#Fixed assets	39,464	26,736
Other assets	8,530	386
Investment	30,000	—
Total Assets	$ 165,394	$ 113,580

Liabilities
(000's)

Long-term debt, curr.	$ 496	$ 300
Accts. payable	35,613	32,785
Accruals	44,931	42,832
Curr. Liabilities	$ 81,040	$ 75,917
Long-term debt	18,025	16,717
Other liabilities	3,723	2,663
Redeem. pref. stock	30,000	—
+ Common stock	2,111	2,092
Add. paid-in capital	61,149	60,935
Accum. deficit	(30,654)	(44,744)
Total Liabilities & Shareholders' Equity	$ 165,394	$ 113,580

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	28.25	30.98
Debt to Equity	0.57	0.93
Working Capital	$ 6,360,000	$10,541,000
Current Ratio	1.08	1.14
Shareholders' Equity	$32,606,000	$18,283,000

Quantronix Corporation

225 Engineers Road
Smithtown, New York 11788
(516) 273-6900

Officers: Richard T. Daly, chairman & chief executive officer;Donald Mitchell, president & chief operating officer, Vincent L. Mooney, chief financial officer & treasurer, Sydney Meistrich, v.p.-mfg. and secretary, William J. Kern, v.p.-marketing; Martin g. Cohen, v.p.-research & development; Ray H. Tanner, v.p.-engineering.

Directors: Richard T. Daly, Sydney Meistrich, Robert W. Daly, Donald Mitchell, Harold Rapaport, Alan J. Patricof, Zenas Hutcheson.

Areas of Work: Engaged in a single line of business: manufacturing electro-optic devices and systems, principally involving the use of a laser component, and end-products produced by such devices. Its products consist of a catalogue line of lasers, laser components and laser accessories; a Mask Inspection Tool, which is used to reduce waste in the manufacture of semiconductors; a defect repair system for repair of photomasks used in semiconductor manufacture; scientific lasers and medical lasers.

Subsidiary:

Quantronix, GmbH
Gross-Gerauer Weg 55
D-6100 Darmstadt, West Germany
Quantronix International (FSC)

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: QUAN (NASDAQ)

Number of Employees:

1985	203	1982	N.A.
1984	185	1981	130
1983	120		

N.A. - Not Available

Plant Footage:

1985	44,000 sq. ft.	1982	44,000
1984	44,000	1981	44,000
1983	44,000		

Sales and Earnings

	Net Sales †	Net Income ‡
1985	$ 19,542,098	$ 1,957,000
1984	11,306,703	773,595
1983	7,739,013	(653,035)
1982	6,030,773	(451,463)
1981	7,885,540	313,072

	No. of Com. Shares #	Earn. per Share ‡#
1985	2,022,000	$ 1.07
1984	1,307,000	0.59
1983	1,278,000	—
1982	1,277,000	— .41
1981	1,258,000	0.25

(Loss)
† Includes services.
‡ Including extraordinary gains of $140,000 ($0.07 per share) in 1985, $343,000 ($0.26 per share) in 1984 and $31,000 ($0.03 per share) in 1982.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—		3-for-2

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 4,962,702	$ 2.45
1984	2,115,015	1.62
1983	1,260,393	1.48
1982	1,912,178	2.25
1981	2,320,306	2.77

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1985	1984
Net sales & services	$ 19,542,098	$ 11,306,703
Cost of sales & services	10,920,027	6,652,022
Expenses	5,849,882	3,384,391
Interest expense	499,732	500,041
Dispos. of subsid.	—	(31,346)
Other income	(486,629)	—
Income before taxes	$ 2,759,086	$ 801,595
Income taxes	942,086	371,000
Net Income	$ 1,817,000	$ 430,595
Extraordinary gain	140,000	343,000
Net Income & extraord. gain	$ 1,957,000	$ 773,595

* Included in Costs and Expenses, Depreciation and Amortization: $377,963 in 1985 and $299,439 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 1,599,204	$ 331,995
Accts. receiv., net	5,890,459	3,573,920
*Inventories	4,086,036	3,134,956
Def. inc. taxes	310,000	—
Other curr. assets	44,462	76,924
Current Assets	$ 11,930,161	$ 7,117,795
#Fixed assets	2,591,737	1,946,518
Other assets	679,696	358,252
Total Assets	$ 15,201,594	$ 9,422,565

Liabilities

Long-term debt, curr.	$ 91,584	$ 35,422
Accts. payable	1,004,540	1,066,094
Accruals & other liab.	2,077,710	1,201,978
Inc. taxes payable	953,665	31,292
Dividends payable	34,096	—
Curr. Liabilities	$ 4,161,595	$ 2,334,786
Long-term debt	3,845,257	4,972,764
Def. inc. taxes payable	152,000	—
+ Redeem. pref. stock	2,080,040	—
+ Common stock	13,857	8,639
Add. paid-in capital	3,551,449	2,497,598
Ret. earnings (deficit)	1,417,921	(370,697)
Note receiv. - sale of stock	(20,525)	(20,525)
Total Liabilities & Shareholders' Equity	$ 15,201,594	$ 9,422,565

* At lower of average cost of market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.12	7.09
%Net Income to Sales	9.30	3.81
%Net Income to Equity	36.61	20.36
Debt to Equity	0.79	2.37
Working Capital	$7,768,566	$4,783,009
Current Ratio	2.87	3.05
Shareholders' Equity	$4,962,702	$2,115,015

Quotron Systems, Inc.

5454 Beethoven Street
P.O. Box 66914
Los Angeles, California 90066
(213) 827-4600

Officers: M.E. Mohr, chairman of the board, president & chief exec. officer; G.H. Levine, v.p.-marketing & corp. secretary, A.F. Wood, v.p.-int'l operations; Richard L. Little, v.p.-finance & treasurer; R.B. Cooper, v.p.-customer engineering; B.B. Jackson, exec. v.p.-engineering & manufacturing; George F. Kabouchy, v.p.-systems, operations & programs; Pier L. Rossi, v.p.-engineering; Nikki Parker, v.p.-industrial relations & asst. corp. secretary; Donald L. Stevens, v.p.-planning.

Directors: Leland H. Amaya, Milton E. Mohr, Thomas O. Paine, George R. Tuerk, Alan N. Weeden, Robert J. Casale, Ivan Sutherland.

Areas of Work: Manufacturer of general purpose computers and supplier of financial information services primarily for the financial market.

Subsidiaries:

Quotron Systems International, Inc.

Joint Venture(s):

Insurnet, Inc.
Supplies automation/communication services to independent insurance agents.

AP-Dow Jones/Quotron Company
Provides Quotron's services outside North America.

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
One New York Plaza
New York, New York 10081

Stock Exchange(s): Over-the-Counter, London

Ticker Symbol: QUOT (NASDAQ)

Number of Employees:

1985	1,701	1982	1,153
1984	1,691	1981	873
1983	1,407		

Quotron Systems, Inc.

Plant Footage:

1985	440,000 sq. ft.	1982	100,000
1984	440,000	1981	95,000
1983	310,000		

Sales and Earnings

	Revenues	Net Income
1985	$ 205,686,000	$ 22,068,000
1984	189,799,000	26,823,000
1983	153,810,000	23,981,000
1982	120,918,000	17,035,000
1981	88,120,000	12,485,000

	No. of Com. Shares ‡	Earn. per Share †
1985	34,655,172	$ 0.64
1984	34,344,041	0.78
1983	34,018,282	0.69
1982	33,816,342	0.52
1981	31,560,812	0.39

† Based on the weighted average number of common shares and common stock equivalents outstanding adjusted to reflect stock splits.
‡ Adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	2-for-1
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 191,589,000	$ 5.53
1984	167,603,000	4.88
1983	139,210,000	4.09
1982	113,245,000	3.35
1981	66,085,000	2.09

+ Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Financial info. serv.	$ 187,492,000	$ 171,921,000
Net sales	18,194,000	17,878,000
Total income	$ 205,686,000	$ 189,799,000
Cost of service	108,179,000	90,822,000
Cost of sales	13,064,000	11,745,000
Expenses	39,341,000	36,828,000
Interest expense	2,733,000	1,640,000
Income before taxes	$ 42,369,000	$ 48,764,000
Income taxes	20,301,000	21,941,000
Net Income	$ 22,068,000	$ 26,823,000

*Included in Costs and Expenses, Depreciation and Amortization: $39,443,000 in 1985 and $32,211,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,372,000	$ 817,000
Accts. receiv., net	16,232,000	19,905,000
*Inventories	43,102,000	53,179,000
#Financial infor. serv. equip.	115,354,000	113,055,000
#Fixed assets	53,209,000	49,901,000
Other assets	3,714,000	4,535,000
Total Assets	$ 233,983,000	$ 241,392,000

Liabilities

Accts. payable	$ 3,148,000	$ 8,235,000
Long-term debt, curr.	6,678,000	39,696,000
Accruals	17,691,000	13,791,000
Deferred taxes	14,877,000	12,067,000
+ Common stock	3,465,000	3,434,000
Add. paid-in capital	67,088,000	64,495,000
Retained earnings	121,036,000	99,674,000
Total Liabilities & Shareholders' Equity	$ 233,983,000	$ 241,392,000

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Revenues	20.60	25.69
%Net Income to Revenues	10.73	14.13
%Net Income to Equity	11.52	16.00
Debt to Equity	0.03	0.24
Shareholders' Equity	$191,589,000	$167,603,000

Radiation Systems, Inc.

1501 Moran Road
Sterling, Virginia 22170
(703) 450-5680

Officers: Richard E. Thomas, chairman of the board, president & treasurer; Junius H. Arnold, Jr., sr. v.p.; Harold Aryai Siegel, v.p. & general counsel; Robert L. Pevenstein, v.p.-finance; Clifford Allison, Jr., Robert H. Denton, Yari V. Vondrich, v.p.'s; Charles J. Beuley, v.p. & president of Universal Antennas; Marvin D. Shoemake, v.p. & president of SatCom Technologies; Anita M. Stutzman, secretary.

Directors: Richard E. Thomas, Lee M. Paschall, Irvin G. Ray, John D. Sanders, Peter Schenk.

Areas of Work: Manufactures high-technology antenna products for the military, air traffic control, satellite and point-to-point communications markets.

Subsidiaries:

Universal Antennas, Inc.
909 E. Collins Boulevard
Richardson, Texas 75801
(214) 690-8865

SatCom Technologies, Inc.
2912 Pacific Drive
Norcross, Georgia 30071
(404) 448-2116

Mark Antenna Products, Inc.
2180 S. Wolf Road
Des Plaines, Illinois 60018
(312) 298-9420

Mexia Fabricators, Inc.
1200 North Avenue B
Wortham, Texas 76693

Transfer Agent(s):

The Riggs National Bank of Washington, D.C.
1120 Vermont Avenue
Washington, D.C. 20005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RADS (NASDAQ)

Number of Employees:

1985	413	1982	177
1984	283	1981	151
1983	228		

Plant Footage:

1985	203,000 sq. ft.	1982	108,000
1984	290,000	1981	108,000
1983	165,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 33,488,000	$ 3,169,000
1984	30,045,000	4,496,000
1983	22,213,000	3,543,000
1982	15,320,000	2,429,000
1981	9,863,000	1,180,000

	No. of Com. Shares +	Earn. per Share + †
1985	4,612,000	$ 0.70
1984	4,502,000	1.00
1983	4,496,000	0.80
1982	4,293,000	0.56
1981	3,[illegible]35,000	0.37

+ Adjusted to reflect stock splits.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	0.25⅛	—	3-for-2
1982	0.9½	—	3-for-2
1981	0.10⅞	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 30,433,000	$ 6.60
1984	27,045,000	6.01
1983	22,445,000	4.99
1982	17,303,000	4.03
1981	8,944,000	2.60

+ Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 33,488,000	$ 30,045,000
Other income	728,000	1,076,000
Total Income	$ 34,216,000	$ 31,121,000
Cost of sales & exp.	28,875,000	23,620,000
Interest expense	393,000	218,000
Income before taxes	$ 4,948,000	$ 7,283,000
Income taxes	1,779,000	2,787,000
Net Income	$ 3,169,000	$ 4,496,000

* Included in Costs and Expenses, Depreciation: $1,014,000 in 1985 and $690,023 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 289,000	$ 314,000
Short-term invest.	9,605,000	10,519,000
Accrued interest recv.	156,000	159,000
Accts. receiv., net	6,967,000	5,309,000
Unbilled costs & accrued profits	8,186,000	10,246,000
Refundable taxes	1,823,000	1,475,000
*Inventories	6,420,000	3,268,000
Deferred compens. exp., current	212,000	403,000
Other curr. assets	376,000	209,000
Current Assets	$ 34,034,000	$ 31,902,000
Other Assets	1,680,000	1,396,000
#Fixed assets	10,526,000	7,670,000
Total Assets	$ 46,240,000	$ 40,968,000

Liabilities

Mortg. payable	$ 555,000	$ 248,000
Accts. payable	3,981,000	2,233,000
Cust. advances	283,000	625,000
Accruals	267,000	874,000
Accrued payroll	565,000	409,000
Deferred compens. pay	182,000	274,000
Deferred inc. taxes	4,811,000	4,784,000
Other liabilities	242,000	285,000

Curr. Liabilities	$ 10,886,000	$ 9,732,000
Mortg. payable	3,384,000	2,442,000
Deferred compens. pay.	278,000	1,097,000
Deferred inc. taxes	1,259,000	652,000
+Common stock	4,612,000	4,502,000
Add. paid-in capital	9,349,000	8,748,000
Retained earnings	16,964,000	13,795,000
Treasury stock	(492,000)	—
Total Liabilities & Shareholders' Equity	$ 46,240,000	$ 40,968,000

*At lower of cost (FIFO) or market.
Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.78	24.24
%Net Income to Sales	9.46	14.96
%Net Income to Equity	10.41	16.62
Sales to Inventories	5.22	9.19
Working Capital	$23,148,000	$22,170,000
Current Ratio	3.13	3.28
Shareholders' Equity	$30,433,000	$27,045,000

Radio Frequency Company, Inc.

150 Dover Road
Millis, Massachusetts 02054
(617) 762-4900

Officers: Melvyn H. Harris, chairman of the board; Thomas W. James, president & chief exec. officer; Wallace J. Ross, v.p.; Norma A. Greene, controller & treasurer; Ruth Y. Manwaring, clerk.

Directors: Norman Barlow, Ruth Y. Manwaring, A. Lee MacPhail, Robert L. Warren, Jr., Melvyn H. Harris, Rosamond B. Manwaring, Thomas W. James.

Areas of Work: Designs, manufactures and sells high technology, high precision heat processing systems for the industrial market.

Transfer Agent(s):

Boston Safe Deposit & Trust
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Revenues	Net Income
1986	$ 2,716,315	$ 254,730
1985	2,765,687	252,335
1984	1,985,463	176,744
1983	1,967,484	175,765
1982	1,810,113	142,016

	No. of Com. Shares +	Earn. per Share #
1986	447,457	$ 0.56
1985	445,405	0.56
1984	433,714	0.39
1983	426,682	0.41
1982	426,682	0.33

+ Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.25	—	—
1985	0.35	—	3-for-2
1984	0.21	—	—
1983	0.20	—	—
1982	0.19	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 2,369,754	$ 5.30
1985	2,209,446	4.96
1984	2,061,207	4.75
1983	1,976,989	4.63
1982	1,886,561	4.42

‡ Adjusted to reflect stock split.

Income Account *

Year ended March 31	1986	1985
Revenues	$ 2,716,315	$ 2,765,687
Cost of sales	1,694,853	1,847,716
Expenses	605,853	594,114
Other income	(55,046)	(61,778)
Income before taxes	$ 470,655	$ 385,635
Income taxes	215,925	133,300
Net Income	$ 254,730	$ 252,335

*Included in Costs and Expenses, Depreciation: $137,574 in 1986 and $114,518 in 1985.

Assets

As of March 31	1986	1985
Cash	$ 628,428	$ 454,609
Accts. receiv., net	327,954	356,085
*Inventories	1,037,184	925,757
Mortg. note receiv.	—	133,537
Other	3,203	2,295
Current Assets	$ 1,996,769	$ 1,872,283
#Fixed assets	1,007,056	960,868
Total Assets	$ 3,003,825	$ 2,833,151

Liabilities

Accts. payable	$ 89,273	$ 89,706
Accrued inc. taxes	151,730	65,265
Customer progress payments	253,268	234,282
Accruals	100,800	174,877
Curr. Liabilities	$ 595,071	$ 564,130
Deferred inc. taxes	39,000	59,575
+Common stock	514,484	514,484
Add. paid-in capital	358,299	346,356
Retained earnings	1,898,578	1,755,712
Treasury stock	(331,607)	(337,106)
Note receivable	(70,000)	(70,000)
Total Liabilities & Shareholders' Equity	$ 3,003,825	$ 2,833,151

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	17.33	13.94
%Net Income to Sales	9.38	9.12
%Net Income to Equity	10.75	11.42
Sales to Inventories	2.62	2.99
Working Capital	$1,401,698,000	$1,308,153
Current Ratio	$3.36	3.32
Shareholders' Equity	$ 2,369,754	$2,209,446

Ragen Corporation

(formerly Ragen Precision Industries, Inc.)

9 Porete Avenue
North Arlington, New Jersey 07032
(201) 997-1000

Officers: I.L. Lopata, chairman of the board; Eugene L. Lopata, president; Alexander C. Tomkins, Jr., secretary & treasurer; Arnold Herman, v.p. planning.

Directors: I.L. Lopata, chairman; Eugene E. Lopata, Gerald Conway, A.C. Tomkins, Jr., Bohdan J. Kekish, Paul A. Fund, Thatcher L. Townsend.

Areas of Work: Manufactures electronic components, printed circuit boards, mechanical assemblies and subassemblies, and precision mechanical components for the business equipment, electronic, nuclear and aircraft industries; designs and manufactures proprietary products, systems and services, such as graphic information management systems, electronic mail, word processing facsimile, non-impact printers, electronic storage and retrieval systems; produces numerically controlled assembly systems, for the commercial and industrial uses.

Divisions:

Components Division
North Arlington, New Jersey
(201) 997-1000

Nuclear Division
North Arlington, New Jersey
(201) 997-1000

Systems Division
North Arlington, New Jersey
(201) 997-1000

Subsidiaries:

Microtronics Corp.
West Caldwell, New Jersey
(201) 575-5000

Ragen Data Systems Inc.
Central Islip, New York
(516) 293-1333

Ragen International Corp.
North Arlington, New Jersey

Ragen Leasing Company, Inc.
North Arlington, New Jersey

Ragen Information Systems, Inc.
North Arlington, New Jersey
Arlington, Virginia

Transfer Agent(s):

Marine Midland Bank
250 Park Avenue
New York, New York 10017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RAGN (NASDAQ)

Number of Employees:

1985	517	1982	490
1984	583	1981	550
1983	486		

Plant Footage:

1985	187,000 sq. ft.	1982	190,000
1984	N.A.	1981	190,000
1983	N.A.		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 33,422,183	$ (689,075)
1984	30,075,284	(2,018,047)
1983	27,114,372	282,018
1982	31,201,280	317,744
1981	31,242,753	(702,028)

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,809,952	$ —
1984	4,702,763	—
1983	4,589,882	0.06
1982	4,557,292	0.07
1981	4,445,544	—

(Loss)
‡ Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Ragen Corporation

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Precision mech. components	$13,931	42%	11,189	37%
Prop. systems & equipment	5,188	16	5,325	18
Printed current boards & assem.	6,401	19	6,915	23
Aircraft instr. & components	7,902	23	6,646	22
Total	$33,422	100%	$30,075	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	—
1981	—	6%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 10,342,032	$ 2.15
1984	10,946,181	2.33
1983	11,876,626	2.59
1982	10,748,332	2.36
1981	10,331,674	2.32

‡ Based on the average number of shares outstanding adjusted to reflect stock dividend and stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 33,422,183	$ 30,075,284
Cost of sales	26,008,732	24,605,039
Expenses	6,780,756	6,986,285
Oper. profit (loss)	$ 632,695	$ (1,516,040)
Other expense	236,472	360,693
Interest expense	1,042,094	1,052,543
Loss before taxes	$ (645,871)	$ (2,929,276)
Income taxes (credit)	43,204	(911,229)
Net Loss	$ (689,075)	$ (2,018,047)

* Included in Costs and Expenses, Depreciation and Amortization: $1,843,011 in 1985 and $2,057,178 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 464,004	$ 1,153,831
Marketable securities	570,294	
Accts. receiv., net	5,882,076	5,755,053
*Inventories	10,876,225	10,527,482
Prepaid expenses	178,119	185,142
Current Assets	$ 17,970,718	$ 17,621,508
Trust fund	—	158,803
Long-term receiv.	89,200	86,200
#Fixed assets	8,148,747	8,821,939
Other assets	940,584	1,025,368
Total Assets	$ 27,149,249	$ 27,713,818

Liabilities

	1985	1984
Notes payable	$ 882,104	$ 1,034,362
Accts. payable	3,851,519	3,563,104
Accrued commissions	281,633	249,006
Accrued payroll	287,431	302,002
Accrued interest	129,854	170,266
Federal income taxes	1,078,638	1,445,341
Deferred revenue	482,713	—
Other liabilities	472,420	294,977
Curr. Liabilities	$ 7,466,312	$ 7,059,058
Long-term debt	9,340,905	9,708,579
+ Common stock	602,179	599,492
Add. paid-in capital	10,886,310	10,804,071
Retained earnings (deficit)	(1,146,457)	(457,382)
Total Liabilities & Shareholders' Equity	$ 27,149,249	$ 27,713,818

*At lower of cost or market.
Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

Sales to Inventories	0.31	2.86
Debt to Equity	0.99	0.98
Working Capital	$10,504,406	$10,562,450
Current Ratio	2.41	2.50
Shareholders' Equity	$10,342,032	$10,946,181

Ramtek Corporation

2211 Lawson Lane
Santa Clara, California 95050
(408) 988-2211

Officers: Charles E. McEwan, chairman of the board & president; Thomas J. Adams, exec. v.p. & treasurer; Joseph G. Morris, v.p. & gen. mgr.-Napa Division; Wilbur F. Sattler, v.p.-operations; Stephen V. Cope, v.p.-imaging systems development; Peter W. Cassady, v.p.-marketing; G. William Theriault, v.p. & controller; James A. Swanson, v.p., gen. counsel & secretary; Stephen R. Johnson, v.p.-sales; Patricia K. Rooney, v.p.-human resources; Perry L. Sarensen, v.p.-field engineering; Kieth E. Sorenson, v.p.-graphics.

Directors: Charles E. McEwan, chairman; Rolf Eliassen, Thomas J. Adams, Willard C. Mills, John R. Andrews, Jr.

Areas of Work: The company manufactures and markets computer graphic display systems for use in process control, computer aided design/manufacturing, and business graphics. Also, the corporation manufactures color hardcopy devices such as printers and cameras which reproduce the graphic images from the computer terminal on plain paper, film, overhead transparencies, slides and prints. Other products include monitors which provide the visual output generated by the display system and customized intelligent terminals.

Division(s):

Napa Division
195 Soscol Avenue
Napa, California 94558

Configures custom graphics systems for specialized small volume application.

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RMTK (NASDAQ)

Sales and Earnings

	Net Sales †	Net Income
1985	$ 43,996,000	$ (2,116,000)
1984	34,581,000	(15,354,000)
1983	41,143,000	842,000
1982	46,023,000	2,669,000
1981	35,239,000	1,442,000

	No. of Com. Shares #	Earn. per Share #
1985	3,441,000	$
1984	3,402,000	—
1983	2,937,000	0.29
1982	2,669,000	1.00
1981	2,665,000	0.54

(Loss)
† Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 17,236,000	$ 5.01
1984	19,177,000	5.64
1983	34,497,000	11.75
1982	19,743,000	7.40
1981	16,800,810	6.30

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 43,996,000	$ 34,581,000
Cost of sales	24,519,000	23,922,000
Expenses	19,677,000	23,478,000
Interest expense	1,916,000	1,152,000
Loss rel. to invest.	—	4,000,000
Loss before taxes	$ (2,116,000)	$ (17,971,000)
Tax credit	—	(2,617,000)
Net Loss	$ (2,116,000)	$ (15,354,000)

* Included in Costs and Expenses, Depreciation and Amortization: $4,024,000 in 1985 and $2,147,000 in 1984.

Assets

As of June 30	1985	1984
Cash & short-term securities	$ 743,000	$ 252,000
Restricted cash equivalents	—	3,500,000
Income tax receivable	—	2,398,000
Accts. receiv., net	13,291,000	9,345,000
*Inventories	18,274,000	15,607,000
Prepaid expenses	245,000	245,000
Current assets	$ 32,553,000	$ 31,347,000
#Fixed assets	19,050,000	21,770,000
Invest. in affil.	300,000	302,000
License agree. & rel. costs	525,000	262,000
Total Assets	$ 52,428,000	$ 53,681,000

Liabilities

	1985	1984
Notes payable	$ 6,643,000	$ 8,174,000
Accts. payable	4,841,000	6,018,000
Accruals:		
Compensation	1,784,000	1,578,000
Other	446,000	450,000
Cap. lease oblig., curr.	1,099,000	1,126,000
Long-term debt, curr.	4,344,000	1,727,000
Curr. Liabilities	$ 19,157,000	$ 19,073,000
Cap. lease oblig.	1,997,000	3,196,000
Long-term debt	8,594,000	8,235,000
Reserve rel. to affil.	5,444,000	4,000,000
+ Common stock	26,384,000	26,209,000
Retained earnings (deficit)	(9,148,000)	(7,032,000)
Total Liabilities & Shareholders' Equity	$ 52,428,000	$ 53,681,000

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

Sales to Inventories	2.41	2.22
Debt to Equity	1.32	1.17
Working Capital	$13,396,000	$12,274,000
Current Ratio	1.70	1.64
Shareholders' Equity	$17,236,000	$19,177,000

Ranco Incorporated

555 Metro Place North
P.O. Box 248
Dublin, Ohio 43017
(614) 764-3733

Officers: R.J. Grosh, chairman of the board & chief exec. officer; W.A. Chapman, president & chief operating officer; Robert R. Womack, exec. v.p. business development; R.B. Robert, executive v.p. & chief financial and administrative officer; H.A. Baker, executive v.p.-int'l operations; M.H. Reissig, treasurer & asst. secretary; E.A. Schrag, Jr., secretary; A.V. Ober, asst. treasurer.

Directors: R.J. Grosh*, W.A. Chapman, D. Ginsburg, Jorg Mittelsten Scheid, B. Balders, R.J. Kegerreis, W.E. Mahaffay*, R.E. Raney*, R.B. Robert, Richard S. Hickok.

* Member of the Executive Committee.

Areas of Work: Designs, manufactures and markets environmental comfort, convenience, and safety control devices and systems automatically regulating temperature, pressure, time sequencing, current flow and humidity. Through its Teccor Semiconductor Division, Ranco also manufactures a specialized line of semiconductor devices.

Divisions:

Controls Division
Plain City, Ohio

Automotive Division
Deleware, Ohio

Appliance Division
Plymouth, England

Electronics Division
Irving, Texas

Teccor Semiconductor Division
Irving, Texas

Subsidiaries:

Ranco Controls, Canada, Limited
Ranco Controls Europe Inc.
Ranco Europe Limited
Ranco F.S.C. Limited
Ranco Controls Limited
Teccor Electronics, Inc.
Deutsche Ranco GmbH
Ranco Grundstucks-Leasing GmbH
Ranco Italian Controls Incorporated
Apparecchi di Controllo Ranco S.R.L.
Ranco de Mexico, S.A. de C.V.
Electronic Control Corporation de Mexico S.A.
Ranco France S.A.
Ranco Japan Limited (45% owned)
Fricon, S.A. de C.V. (49% owned)

Transfer Agent(s):

BancOhio National Bank
Columbus, Ohio

The Chase Manhattan Bank, N.A.
New York, New York

Stock Exchange(s): New York

Ticker Symbol: RNI

Number of Employees:

1985	5,000	1982	4,300
1984	4,900	1981	5,600
1983	4,900		

Plant Footage:

1985	1,113,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 169,335,000	$ 6,914,000
1984	177,460,000	7,870,000
1983	153,988,000	3,818,000
1982	152,645,000	4,776,000
1981	179,446,000	5,177,000

	No. of Com. Shares	Earn. per Share #
1985	3,642,909	$ 1.91
1984	3,586,676	2.20
1983	3,544,322	1.08
1982	3,501,035	1.36
1981	3,501,035	1.48

Based on the average number of common shares outstanding.

Revenues By Line of Business

	1985	1984
Automotive	$ 19.2%	$ 17.3%
Residential & bldg. comfort control	32.4	35.4
Commercial refrigeration	25.5	22.9
Household refrigeration	22.9	24.4
Total	$ 100.0%	$ 100.0%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.84	—	—
1984	0.84	—	—
1983	0.84	—	—
1982	0.84	—	
1981	0.84	—	

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 62,495,000	$ 17.15
1984	54,165,000	15.10
1983	52,221,000	14.73
1982	50,783,000	14.51
1981	51,682,000	14.76

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 169,335	$ 177,460
Cost of sales	122,958	130,367
Expenses	33,678	32,276
Interest expense	3,320	3,457
Other income	(263)	(1,064)
Income before taxes	$ 9,642	$ 12,424
Income taxes	3,689	5,247
Equity in earnings of affil.	(961)	(693)
Net Income	$ 6,914	$ 7,870

* Includes in Costs and Expenses, Depreciation and Amortization: $6,625,000 in 1985 and $6,838,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash & short-term invest.	$ 2,013,000	$ 2,194,000
Accts. receiv., net	31,445,000	29,292,000
Refund inc. tax	690,000	690,000
*Inventories	34,196,000	27,536,000
Prepaid expenses	3,478,000	5,060,000
Current Assets	$ 71,822,000	$ 64,772,000
Investments	15,123,000	12,101,000
#Fixed assets	44,843,000	37,311,000
Other assets	2,363,000	2,529,000
Total Assets	$ 134,151,000	$ 116,713,000

Liabilities

Long-term debt, curr.	$ 3,949,000	$ 3,850,000
Bank loans	954,000	523,000
Accts. payable	13,178,000	12,955,000
Accruals	6,075,000	6,414,000
Accrued payroll	7,412,000	8,818,000
Income taxes	191,000	404,000
Curr. Liabilities	$ 31,759,000	$ 32,964,000
Long-term debt	29,744,000	[illegible],193,000
Deferred inc. taxes	7,641,000	6,676,000
Other liab.	2,512,000	1,715,000
+ Common stock	9,494,000	9,494,000
Add. paid-in capital	448,000	481,000
Retained earnings	59,413,000	55,534,000
For. curr. trans. adjustment	(4,214,000)	(7,743,000)
Treasury stock	(2,646,000)	(3,601,000)
Total Liabilities & Shareholders' Equity	$ 134,151,000	$ 116,713,000

* At lower of cost (LIFO and FIFO) or market.
# Less accumulated depreciation and amortization.
+ $2.50 par value

Statistical Summary

% Income bef. Taxes to Sales	5.69	7.00
% Net Income to Sales	4.08	4.43
% Net Income to Equity	11.06	14.53
Sales to Inventories	4.95	6.44
Debt to Equity	0.54	0.46
Working Capital	$40,063,000	$31,808,000
Current Ratio	2.26	1.96
Shareholders' Equity	$62,495,000	$54,165,000

Raven Industries, Inc.

205 E. 6th Street
Sioux Falls, South Dakota 57117
(605) 336-2750

Mailing address:

P.O. Box 1007
Sioux Falls, South Dakota 57117

Officers: Conrad J. Hoigaard, chairman of the board; David A. Christensen, president & chief executive officer; Gary L. Conradi, v.p.-corp. services; James A. Winker, v.p.-Applied Technology Div.; Ronald M. Moquist, exec. v.p.; Arnold J. Thue, v.p.-finance; Joseph J. Kaliszewski, secretary.

Directors: John H. Burg, David A. Christensen, Albert C. Gage, John E. Griffin, Conrad J. Hoigaard, W. Ray Laird, Jr., Robert G. May, John C. Skoglund.

Divisions:

Sportswear Division
Products include the "Swing West" line of ski clothing, "Raven" line of snowmobile suits and general outerwear, "Comfy" down insulated garments, "AFRC" cross-country ski clothing, "Gore-Tex" military and hunting clothes,as well as private label garments.

Plastics Division
Products include fiberglass and polyethylene tanks for agricultural, industrial and water conditioning use and custom fabricated fiberglass parts and designs for water and sewage treatment markets, and the construction and machinery markets.

Electronic Systems Division
Products include batch weighing, control and inventory systems; turbine helicopter auto-restart units, audio amplifiers, industrial annunciators, turbine engine speed controls, turbine engine test sets, FAA radio beacon monitor alarms, telemetry systems, U.S. Government electronic assemblies, electronic agricultural and industrial products and printed circuit assembly services.

Applied Technology Division
Products and services include plastics tarpaulins, hot air sports balloons, high altitude research balloons, heavy load lifting balloons, decelerators (parachutes), contract engineering and research, hot air blimps, and AdverBlimps.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Norwest Trust Company, New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: RAV

Number of Employees:

1986	664	1983	650
1985	765	1982	603
1984	840		

Sales and Earnings

	Net Sales	Net Income
1986	$ 41,899,124	$ 1,610,693
1985	44,581,925	2,608,899
1984	38,983,678	1,956,456
1983	31,211,096	1,089,856
1982	33,466,507	1,173,894

	No. of Com. Shares †	Earn. per Share ‡
1986	1,562,199	$ 1.02
1985	1,548,039	1.66

Raven Industries, Inc.

1984	1,529,192	1.25
1983	1,508,522	0.73
1982	1,494,093	0.79

† Adjusted to reflect stock dividends.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1986	1985
Plastics division	$ 7,604,00	$ 9,398,000
Sportswear division	12,373,000	14,619,000
Applied technology division	13,539,000	11,409,000
Electronic systems division	8,383,000	9,156,000
Total	$ 41,899,000	$ 44,582,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.042	—	—
1985	0.375	—	—
1984	0.32	—	—
1983	0.29	5% & 5%	—
1982	0.30	5%	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 15,658,863	$ 10.02
1985	14,666,736	9.47
1984	12,591,367	8.23
1983	11,047,825	7.32
1982	10,323,614	6.91

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 41,899,124	$ 44,581,925
Cost of sales	32,361,004	33,179,985
Expenses	7,019,657	6,833,558
Interest expense	378,334	418,134
Other income	(272,564)	(348,651)
Income before taxes	$ 2,412,693	$ 4,498,899
Income taxes	802,000	1,890,000
Net Income	$ 1,610,693	$ 2,608,899

* Included in Costs and Expenses, Depreciation: $1,104,071 in 1986 and $936,106 in 1985.

Assets

As of Jan. 31	1986	1985
Cash	$ 3,815,989	$ 1,213,281
Marketable securities	—	2,156,693
Accts. receiv., net	5,906,338	6,785,189
*Inventories	7,231,087	8,254,998
Prepaid expenses	708,338	802,926
Refundable income taxes	270,239	—
Current Assets	$ 17,931,991	$ 19,213,087
#Fixed assets	5,046,986	4,564,254
Other assets	919,675	945,385
Total Assets	$ 23,898,652	$ 24,722,726

Liabilities

Long-term debt, curr.	$ 635,205	$ 577,686
Accts. payable	1,881,568	2,837,521
Accruals	2,361,079	3,346,800
Customer advances	299,246	199,506
Curr. Liabilities	$ 5,177,098	$ 6,961,513
Long-term debt	2,741,691	2,954,477
Deferred income taxes	321,000	140,000
+ Common stock	1,562,199	1,548,039
Add. paid-in capital	2,546,393	2,526,447
Retained earnings	11,550,271	10,592,250
Total Liabilities & Shareholders' Equity	$ 23,898,652	$ 24,722,726

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.76	10.09
%Net Income to Sales	3.84	5.85
%Net Income to Equity	10.29	17.79
Sales to Inventories	5.79	5.40
Debt to Equity	0.22	0.24
Working Capital	$12,754,893	$12,251,574
Current Ratio	3.46	2.76
Shareholders' Equity	15,658,863	$14,666,736

Raychem Corporation

300 Constitution Drive
Menlo Park, California 94025
(415) 361-3333

Officers: Paul M. Cook, chairman of the board & chief executive officer; Robert M. Halperin, president & chief operating officer; Robert Saldich, sr. v.p.; William A. Berry, v.p. & chief admin. officer; James B. Spradling, Harry O. Postlewait, Frederick M. Grafton, Gerald R. Delaney, Joachim H. Ohme, Roderick A. Young, Paul J. Roberts, v.p.'s; Isaac Stein, v.p., secretary & gen. counsel; Barrett B. Roach, v.p. & chief financial officer; Christopher L. Kaufman, secretary.

Directors: Paul M. Cook, chairman; Robert G. Engel, Detlev K. Rohwedder, Robert M. Halperin, J. Kenneth Jamieson, Richard W. Muchmore.

Areas of Work: Engaged in the development, manufacture and sale of high performance plastic and elastomeric insulation products and systems including overcurrent protection devices. The special properties of its products generally are achieved through radiation chemistry. In addition, the company manufactures and sells fiberglass reinforced electrical insulating sleeving products and electrical heating elements.

Subsidiaries:

Bentley-Harris Manufacturing Company
241 Welsh Pool Road
Lionville, Pennsylvania 19353
(215) 363-2600

Heater Technology
2555 Bay Road
Redwood City, California 94063
(415) 329-3333

Acquisition(s):

Walter Rose GmbH & Co. KG (90% owned)
German manufacturer of industrial products.

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: RYC

Number of Employees:

1985	9,514	1982	8,135
1984	8,867	1981	8,065
1983	8,618		

Plant Footage:

1985	N.A.	1982	3,452,000
1984	5,001,000 sq. ft.	1981	3,452,000
1983	4,800,000		

N.A. = Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 675,364,000	$ 28,253,000
1984	629,862,000	37,166,000
1983	582,702,000	30,511,000
1982	534,949,000	37,248,000
1981	525,398,000	36,366,000

	No. of Com. Shares#	Earn. per Share#
1985	9,960,944	$ 2.84
1984	9,668,533	3.84
1983	9,443,644	3.23
1982	9,146,945	4.07
1981	8,884,522	4.09

Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.44	—	—
1984	0.44	—	—
1983	0.44	—	—
1982	0.44	—	—
1981	0.42	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 353,591,000	$ 35.50
1984	322,528,000	33.36
1983	286,951,000	30.39
1982	258,315,000	28.24
1981	227,099,000	25.56

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 675,364,000	$ 629,862,000
Cost of sales	298,225,000	262,165,000
Expenses	329,168,000	312,734,000
Interest expense	10,745,000	5,977,000
Other expense (income)	(1,620)	2,610,000
Income before taxes	$ 38,846,000	$ 46,376,000
Income taxes	10,593,000	9,210,000
Net Income	$ 28,253,000	$ 37,166,000

*Included in Costs and Expenses, Depreciation and Amortization: $36,653,000 in 1985 and $29,742,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 17,412,000	$ 28,055,000
Accts. receiv., net	143,686,000	129,540,000
*Inventories	159,128,000	121,341,000
Prepaid expenses	51,166,000	39,506,000
Current Assets	$ 371,392,000	$ 318,442,000
#Fixed assets	251,000	205,279,000
Other assets	44,716,000	19,507,000
Total Assets	$ 667,108,000	$ 543,228,000

Liabilities

Notes payable	$ 83,240,000	$ 52,233,000
Long-term debt, curr.	7,002,000	2,375,000
Accts. payable	33,475,000	33,830,000
Accruals	66,907,000	56,131,000
Income taxes	31,831,000	27,496,000
Curr. Liabilities	$ 222,455,000	$ 172,065,000
Long-term debt	59,315,000	23,035,000
Deferred inc. taxes	18,994,000	16,854,000
Other liab.	12,753,000	8,746,000
+ Common stock	137,141,000	123,511,000
+ Series B stock	9,400,000	—
Retained earnings	280,768,000	256,915,000
For. curr. trans.	(60,235,000)	(53,194,000)
Notes receiv. from sale of stock	(13,483,000)	(4,704,000)
Total Liabilities & Shareholders' Equity	$ 667,108,000	$ 543,228,000

* At lower of cost (approx. FIFO & average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	5.75	7.36
%Net Income to Sales	4.18	5.90
%Net Income to Equity	7.99	11.52
Sales to Inventories	4.24	5.19
Debt to Equity	0.21	0.24
Working Capital	$148,937,000	$146,377,000
Current Ratio	1.67	1.85
Shareholders' Equity	$353,591,000	$322,528,000

Raytheon Company

141 Spring Street
Lexington, Massachusetts 02173
(617) 862-6600

Officers: Thomas L. Phillips, chairman & chief executive officer; D. Brainerd Holmes, president & chairman-Beech Aircraft Corp.; Albert H. Bryan, Jr., v.p.-government programs-Huntsville; Herbert Deitcher, v.p. & treasurer; James F. Dinneen, v.p.-government relations; Richard R. Mau, v.p.-public & financial relations; Lawrence J. Korb, v.p.-corporate operations, Washington, D.C.; E. Leonard Kane, v.p.-industrial relations; John R. Pasquariello, v.p.-manufacturing; Phillip A. Phalon, sr. v.p.-corp. marketing; Charles H. Resnick, sr. v.p., secretary & general counsel; Sheldon Rutstein, v.p. & controller; Robert Seaman, v.p.-strategic planning; Joseph F. Shea, sr. v.p.-engineering; Aldo Massara, v.p.-international affairs; James M. Hill, Jr., director-procurement; Stephen W. Rowen, director, government contracts; David R.A. Steadman, Mike W. Fossier, Francis W. Heintz, Eric M. Levi, Ralph A. Martin, Charles I. Mullaney, Dennis J. Picard, John P. Shanley, James S. Walsh, Walter M. Stowell, David A. Deardorf, v.p.'s; B.C. Baugh, president-Seismograph Service Corporation; Ronald W. Dunmire, president-Cedar Rapids, Inc.; Luther Davis, Jr., general manager-research division; Stanley L. Clark, president-Raytheon Marine Co.; Raymond J. Dowling, v.p. & president-Caloric Corp.; Alex A. Meyer, chairman-Amana Refrigeration, Inc.; Thomas D. Hall, president-Speed Queen Company; William C. Jones, Jr., president-Switchcraft, Inc.; Loren A. Korte, president-D.C. Heath & Co.; Gunnar E. Sarsten, president-United Engineers & Constructors, Inc.; Willard E. Marcley, v.p. & gen. mgr.-Submarine Signal Division; Henry J. Meyer, president & chief exec. officer-Amana Refrigeration, Inc.; Reindor W. Gerretsen, president-The Badger Company, Inc.; Rulon G. Shelley, sr. v.p. & gen. mgr.-equipment division; Murray Simpson, president-Sedco Systems, Inc.; J. Alan Thomas, v.p. & president-Raytheon Europe; Richard D. Curtis, gen. mgr.-Electromagnetic Systems Division; John C. Kingery, gen. mgr.-Medical Equipment Division.

Directors: Thomas L. Phillips, chairman; Frank E. Hedrick, Charles F. Adams, Harvey Brooks, James N. Land, Jr., Richard D. Hill, William J. Hogan, D. Brainerd Holmes, Colman M. Mockler, Jr., Albert L. Nickerson, Francis H. Burr, Joseph J. Sisco, Theodore L. Eliot, Jr., Thomas L. Phillips.

Areas of Work: Engaged in the design, engineering, manufacture and servicing of advanced electronic devices, equipment, and systems for both commercial and government customers. Energy services include geophysical exploration and the design, engineering and construction of refineries, petrochemical facilities, and electrical generating plants. Manufactures and markets consumer appliances, and heating and cooling equipment. Also designs and manufactures aircraft used primarily for business flying.

Divisions, Subsidiaries & Affiliates:

D.C. Heath and Company
New York, New York
Lexington, Massachusetts
Indianapolis, Indiana
Produces and distributes textbooks and coordinated instructional materials, science learning apparatus and Caedmon spoken-word recordings.

Seismograph Service Corporation
Tulsa, Oklahoma
Geophysical exploration.

The Badger Company, Inc.
Cambridge, Massachusetts
Houston, Texas
New York, New York
Tampa and Lakeland, Florida
Design, engineering and construction of petroleum, coal, petrochemical, chemical and fertilizer processing plants.

Amana Refrigeration, Inc.
Amana, Iowa
Fayetteville, Tennessee
Electric ranges, refrigerators, freezers, room and central air conditioners, heat pumps, microwave ovens.

Microwave and Power Tube Division
Northborough, Waltham, Burlington & Quincy, Mass.
Stamford, Connecticut
Chicago, Illinois
Microwave tubes, solid state microwave devices, lasers, broadcast and X-ray tubes, power supplies, industrial microwave heating systems, transformers, receiving and industrial tubes, particle accelerators, electronic hardware, night vision devices, molded plastic products, image intensifiers, light amplifier tubes, infrared detectors, medical electronics.

Caloric Corporation
Topton, Pennsylvania
Gas and electric ranges, microwave ovens, dishwashers, and related kitchen products.

Equipment Division
Sudbury, Wayland, and Waltham, Massachusetts
Surface and shipboard radar and navigation systems, military communications, radar instrumentation, air traffic control systems, data display systems, missile guidance electronics, software systems, vehicle traffic control systems.

Semiconductor Division
Mountain View, California
Transistors, diodes, and microelectric circuits.

Raytheon Marine Company
Manchester, New Hampshire
Marine radars, depth sounders, radiotelephones, direction finders, and related navigation aids.

Sorensen Company
Manchester, New Hampshire
Power supplies, power regulating equipment, precision welders, ultrasonic grinders.

Research Division
Materials and components for electronics.

Missile Systems Division
Bedford, Andover and Lowell, Massachusetts
Bristol, Tennessee
Oxnard, California
Air defense and tactical airborne systems, related radar, command and control systems, avionics.

Electromagnetic Systems Division
Santa Barbara, California, Wayne, New Jersey
Re-entry systems, electronic counter-measures.

Submarine Signal Division
Portsmouth, Rhode Island
Anti-submarine warfare systems, submarine and airborne sonar, transducers, ocean systems and equipment.

Raytheon Service Company
Burlington, Massachusetts
Installation and maintenance of electronic systems and equipment; education and training.

Switchcraft, Inc.
Chicago, Illinois
Switches, jacks, plugs and connectors and audio accessory components.

Cedarapids, Inc.
Cedar Rapids, Iowa
Aggregate producing and asphalt mixing plants and paving equipment. Stationary and portable cone-type rock crushing machinery.

United Engineers & Constructors Inc.
Philadelphia, Pennsylvania
Boston, Massachusetts
Design, engineering and construction of conventional and nuclear power facilities and general industrial plants.

Raytheon Canada Limited
Waterloo, Ontario, Canada
Surface and shipboard radar and navigation systems, military communications, air traffic control systems, data display systems, shipboard defense systems.

Cossor Electronics Limited
Harlow, Essex, England
Air traffic control radar, transponders, marine equipment, VHG radios, instruments, displays.

Lacroix & Kress, Klasing G.m.b.H. & Co.
Bramsche, West Germany
Ultra-fine wire, small diameter cable.

Sterling Greengate Cable Company Ltd.
Aldermaston, Berkshire, England
Electric power cables for military and industrial use, welding and power cables.

TAG Semiconductos Ltd.
Zurich, Switzerland
Semiconductor devices.

Data Logic Ltd.
England
Computer software and systems.

Electrical Installations Ltd.
England
Commercial installation of electrical systems.

SEDCO Systems, Inc.
Melville, New York
Ferrite components, phased array antennas for electronic countermeasures.

Beech Aircraft Corporation
Wichita, Kansas
Designs and manufactures commuter, executive, personal military and special mission aircraft, cryogenic systems, airframes, logistic support and target missles.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific & Midwest

Ticker Symbol: RTN

Number of Employees:

1985	73,000	1982	72,000
1984	73,300	1981	76,500
1983	76,100		

Plant Footage:

1985	27,838,000 sq. ft.	1982	26,700,000
1984	27,560,000	1981	26,200,000
1983	27,500,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 6,408,500	$ 375,900
1984	5,995,700	243,200
1983	5,630,700	300,100
1982	5,217,300	318,800
1981	5,383,700	324,000

	No. of Com Shares #	Earn. per Share #
1985	81,670,000	$ 4.60
1984	84,662,000	2.88
1983	84,530,000	3.55
1982	84,276,000	3.78
1981	83,958,000	3.86

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Electronics	$ 3,794,000	$ 3,399,000
Aircraft prods.	743,000	723,000
Energy services	651,000	680,000
Major appliances	785,000	797,000
Other	436,000	397,000
Total	$ 6,409,000	$ 5,996,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$1.60	—	—
1984	1.45	—	—
1983	1.40	—	—
1982	1.40	—	—
1981	1.25	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 1,929,000	$ 24.84
1984	1,979,200	23.46
1983	1,887,400	22.30
1982	1,711,800	20.28
1981	1,536,000	18.25

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 6,408,537	$ 5,995,672
Cost of sales	5,066,163	4,815,258
Expenses	851,729	761,393
Interest expense	14,584	8,613
Interest income	(93,591)	(114,325)
Other income	(30,194)	(20,011)
Income before taxes	$ 599,846	$ 544,747
Income taxes	223,941	204,653
Inc.-cont. oper.	$ 375,905	$ 340,094
Loss-discont. oper.	—	(1,852)
Loss-disposal of discont. oper.	—	(95,000)
Net Income	$ 375,905	$ 243,242

*Included in Costs and Expenses, Depreciation and Amortization: $209,629,000 in 1985 and $173,630,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 33,113	$ 40,451
Marketable securities	250,890	617,453
Accts. receiv., net	622,783	632,055
Contracts in progress	322,287	297,693
*Inventories	635,708	633,053
Prepaid expenses	10,830	9,928
Current Assets	$ 2,875,611	$ 2,230,633
#Fixed assets	1,080,971	948,249
Other assets	484,433	421,236
Total Assets	$ 3,441,015	$ 3,600,118

Liabilities
(000's)

	1985	1984
Notes payable & long-term debt, curr.	$ 43,709	$ 36,909
Accts. payable	332,755	352,075
Advance payments	369,750	464,590
Accrued payroll	166,996	151,557
Income taxes	274,518	331,770
Other accruals	249,530	198,527
Curr. Liabilities	$ 1,437,258	$ 1,535,428
Long-term debt	74,775	85,487
+ Common stock	77,668	84,354
Add. paid-in capital	152,219	154,403
Foreign currency translation adjustment	(36,471)	(61,134)
Retained earnings	1,735,566	1,801,580
Total Liabilities & Shareholders' Equity	$ 3,441,015	$ 3,600,118

* At cost (FIFO or average), but not in excess of net realizable value. Aircraft prods. inventories are stated at lower of cost (LIFO) or market. Work in process stated at total cost incurred reduced by est. costs of units delivered.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.36	—
%Net Income to Sales	5.87	—
%Net Income to Equity	19.49	12.29
Sales to Inventories	10.08	9.47
Debt to Equity	0.06	0.06
Working Capital	$ 438,353,000	$ 695,205,000
Current Ratio	1.30	1.45
Shareholders' Equity	$1,928,982,000	$1,979,203,000

Recognition Equipment Incorporated

2701 East Grauwyler Road
Irving, Texas 75061
(214) 579-6000

Mailing address:

P.O. Box 660204
Dallas, Texas 75266

Officers: William G. Moore, Jr., chairman & chief exec. officer; Israel Sheinberg, exec. v.p.; John C. Hall, Robert W. Reedy, Sigvard Carlefred, Philip M. Colquhoun, Samuel L. Densmore III, James D. Donoho, Dwayne L. McAfee, v.p.'s; George A. O'Brien, v.p. & chief financial officer; Thomas A. Loose, sr. v.p., secretary & general counsel; Robert L. Drury, controller; David A. Willis, treasurer.

Directors: William G. Moore, Jr., chairman of the board; Lucy Billingsley, Robert L. Crandall, Howard J. Runnion, Jr., Israel Sheinberg, William C. Hittinger, Thomas L. Ringer, William H. Seay.

Areas of Work: Engaged in the design, manufacture, marketing, and service of a variety of information processing systems employing optical character recognition, magnetic ink character recognition, image capturing, high-speed paper handling, ink-jet printing and innovative software/hardware integration technologies. Systems are used for data acquisition, document handling and document truncation in such applications as centralized data entry, high-speed document processing, mail processing and distributed data processing.

Subsidiaries:

Recognition Enterprises, Inc.
Irving, Texas

Recognition Equipment (Asia) Pte Ltd.
Republic of Singapore

Recognition Equipment (Canada) Ltd.
Toronto, Canada

Recognition Equipment Danmark APS
Copenhagen, Denmark

Recognition Equipment France, S.A.
Paris, France

Recognition Equipment GmbH
Frankfurt, West Germany

Recognition Equipment Iberica S.A.
Madrid, Spain

Recognition Equipment Finland OY AB
Helsinki, Finland

AB Recognition Equipment Industri
Stockholm, Sweden

Recognition Equipment Italia, S.p.A.
Rome, Italy

Recognition Equipment Nederland, B.V.
Amsterdam, Netherlands

Recognition Equipment Norge A/S
Oslo, Norway

Recognition Equipment (Japan) Inc.
Tokyo, Japan

Recognition Equipment Limited
London, England

Recognition Equipment Europe S.A.
Brussels, Belgium

Recognition Pacific Limited
Sydney, Australia

Acquisition(s):

REI/Inforex, Inc.

Mohawk Data Sciences (MDS) A/S

MDS Belgium S.A.

MDS-Deutschland GmbH

MDS-France S.A.

MDS-Grundstucksverwaltungsgesellschaft mbH

MDS Svenska AB

Transfer Agent(s):

MBank Dallas, N.A.
P.O. Box 225415
Dallas, Texas 75265

Stock Exchange(s): New York

Ticker Symbol: REC

Number of Employees:

1985	2,908	1982	1,924
1984	N.A.	1981	3,000
1983	1,944		

N.A. - Not Available

Sales and Earnings

	Revenues	Net Income ‡
1985	$ 163,147,000	$ 4,316,000
1984	140,140,000	7,446,000
1983	117,042,000	9,554,000
1982	112,402,000	(14,162,000)
1981 x	131,468,000	(9,124,000)

	No. of Com. Shares	Earn. per Share ‡#
1985	6,004,393	$ 0.44
1984	6,004,393	0.96
1983	6,004,393	1.42
1982	6,004,393	—
1981 x	6,004,393	—

(Loss)
x Restated to reflect change in accounting method to comply with FASB Statement No. 43 concerning compensated absences.
‡ Including extraordinary gains of $301,000 ($0.05 per share) in 1985, $1,275,000 ($0.16 per share) in 1984 and $6,316,000 ($0.08 per share) in 1983.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 98,807,000	$ 16.46
1984	66,792,000	11.12
1983	60,126,000	10.01
1982	34,477,000	5.74
1981	50,207,000	8.36

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Revenues	$ 163,147	$ 140,140
Cost of sales & oper. expenses	101,316	84,548
Research & develop.	9,843	6,403
Selling, general & adm. exp.	40,973	32,928
Oper. expenses	5,404	5,349
Oper. profit	$ 5,611	$ -10,912
For. exch. loss	95	—
Other charges	997	1,586
Interest income	(4,838)	(3,691)
Interest expense	3,223	3,221
Fee from patent license	(382)	—

Income before taxes	$ 6,516	$ 9,796
Income taxes	2,501	3,625
Net Income	$ 4,015	$ 6,171
Extraordinary gain	301	1,275
Net Income & extraordinary gain	$ 4,316	$ 7,446

* Included in Costs and Expenses, Depreciation: $6,869,000 in 1985 and $4,658,000 in 1984

Assets
(000's)

As of Oct. 31	1985	1984
Cash	$ 12,648	$ 9,593
Accts. receiv., net	53,661	32,745
*Inventories	55,097	42,945
Long-term contracts	2,686	2,095
Other assets	1,416	913
Current Assets	$ 125,508	$ 88,291
#Fixed assets	42,192	20,098
Long-term receiv.	23,134	13,889
Other assets	4,861	2,953
Total Assets	$ 195,695	$ 125,231

Liabilities
(000's)

Short-term debt	$ 2,988	$ 3,139
Accts. payable	10,284	8,477
Accruals	21,683	13,424
Customer advances	12,104	7,125
Income taxes	3,277	1,626
Curr. Liabilities	$ 50,336	$ 33,791
Long-term debt	42,322	21,393
Deferred inc. taxes	4,230	3,255
+Common stock	2,442	1,923
Add. paid-in capital	94,927	69,935
Retained earnings (deficit)	5,456	1,140
Translation adjust.	(3,282)	(5,470)
Treasury stock	(736)	(736)
Total Liabilities & Shareholders' Equity	$ 195,695	$ 125,231

* At lower of standard cost (FIFO) or market
# Less accumulated depreciation
+ $0.25 par value

Statistical Summary

%Income bef. Taxes to Sales	3.99	6.99
%Net Income to Sales	2.46	4.40
%Net Income to Equity	4.06	9.24
Debt to Equity	0.46	0.37
Working Capital	$75,172,000	$54,500,000
Current Ratio	2.49	2.61
Shareholders' Equity	$98,807,000	$66,792,000

Rectisel Corporation

(51.3% owned by DuraKool, Inc.)

21 Gray Oaks Avenue
Yonkers, New York 10710
(914) 965-4400

Officers: David D. Webster, chairman of the board; John Howard, president; Jack D. Weiner, v.p.; Henry S. Kolokowsky, v.p.-manufacturing; Dennis Dean, v.p.-marketing; R.A. Pozzuoli, treasurer; Daniel Carlson, secretary

Directors: David D. Webster, chairman; John Howard, Daniel Carlson

Divisions:

R.I. Mendels Company
Exports electrical components and equipment and acts as export agent for subsidiary

Component Sales Company
Sales company for electronic components

Subsidiaries:

Electronic Devices, Inc.
21 Gray Oaks Avenue
Yonkers, New York 10710
Designs, develops, manufactures and sells high-voltage silicon rectifiers (diodes), and related rectifier assemblies for use in color sets, medical instruments, navigation equipment, computers and peripherals, power tools, business machines and other applications.

Rectifiers Ltd.
United Kingdom

EDI Halbleiter GmbH
West Germany

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, N.J. 07016

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RECT (NASDAQ)

Number of Employees:

1985	85	1982	N.A.
1984	100	1981	110
1983	95		

N.A. Not available

Plant Footage:

1985	45,000 sq. ft.	1982	45,000
1984	45,000	1981	45,000
1983	45,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 8,374,137	$ 451,560
1984	8,426,059	434,899
1983	6,343,823	296,428
1982	6,001,329	210,362
1981	5,947,984	199,271

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,044,780	$ 0.45
1984	985,380	0.45
1983	925,380	0.32
1982	937,880	0.22
1981	939,880	0.21

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 3,046,681	$ 2.92
1984	2,604,120	2.64
1983	2,124,221	2.30
1982	1,847,276	1.97
1981	1,639,164	1.74

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 8,374,137	$ 8,426,059
Cost of sales	6,011,389	6,234,965
Expenses	1,658,723	1,511,736
Other income	(79,821)	(67,690)
Income before taxes	$ 783,846	$ 747,048
Income taxes	332,286	312,149
Net Income	$ 451,560	$ 434,899

* Included in Cost and Expensed, Depreciation and Amortization: $198,560 in 1985 and $178,937 in 1984

Assets

As of Aug. 31	1985	1984
Cash & cash equiv.	$ 997,655	$ 687,956
Accts. recv., net	1,024,876	1,337,630
*Inventories	1,060,668	1,270,712
Prepaid expenses & other assets	12,239	25,545
Inc. & franchise taxes receiv.	18,458	12,140
Current Assets	$ 3,113,896	$ 3,333,983
#Fixed assets	611,603	615,172
Other assets	108,628	106,185
Total Assets	$ 3,834,127	$ 4,055,340

Liabilities

Note payable	$ —	$ 6,000
Long-term debt, curr.	121,765	165,811
Accts. payable	253,760	660,016
Income taxes & other accruals	253,371	366,257
Curr. Liabilities	$ 628,896	$ 1,198,084
Long-term debt	104,515	207,721
Deferred inc. taxes	54,035	45,415
+Common stock	155,335	149,395
Add. paid-in capital	490,622	320,311
Retained earnings	2,642,763	2,191,203
Notes receivable	(185,250)	—
Treasury stock	(56,789)	(56,789)
Total Liabilities & Shareholders Equity	$ 3,834,127	$ 4,055,340

* At lower of cost (parent co. at FIFO; subsid. at LIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value

Statistical Summary

%Income bef. Taxes to Sales	9.36	8.87
%Net Income to Sales	5.39	5.16
%Net Income to Equity	14.82	16.70
Sales to Inventories	7.09	6.63
Debt to Equity	0.07	0.15
Working Capital	$2,485,000	$2,135,899
Current Ratio	4.95	2.78
Shareholders' Equity	$3,046,681	$2,604,120

Regency Electronics, Inc.

7707 Records Street
Indianapolis, Indiana 46226
(317) 545-4282

Officers: Floyd O. Ritter, chairman of the board; Joseph E. Boone, president & chief executive officer; Steven L. Wilkening, treasurer; James K. Sommer, secretary

Directors: Floyd O. Ritter, chairman; James K. Sommer, Joseph B. Weaver, Nelson A. Boyd, Sr., Joseph E. Boone, Ralph R. Whitney, Jr., Steven L. Wilkening

Areas of Work: Produces and markets electronic test equipment, for commercial and avionics markets, transceivers and receivers for public service, business and the consumer radio market, energy load management radio switches for the utilities industry and CATV converter systems.

Subsidiaries:

IFR, Inc.
10200 W. New York St.
Wichita, Kansas 67215
(316) 522-4981
Produces a line of aviation and commercial electronics test equipment.

Regency Communications, Inc.
1227 South Patrick Drive
Satellite Beach, Florida 32937
(305) 777-1414
Makes two-way FM mobile radios and marine radios.

Regency Land Mobile, Inc.
4505 West Hacienda Avenue
Las Vegas, Nevada 89118
(702) 739-1931
Produces two-way FM radios and FM amateur radios.

RXD, Inc.
806 Custer Avenue
Norfolk, Nebraska 68701
Buys and sells quartz crystals.

Wilson Electronics, Inc. (Philippines)
SFB #3
Bataan Export Processing Zone
Bataan, Phillipines 1914
Manufactures electronic devices

Octagon Scientific, Inc.
(Regency Cable Products)
4 Adler Drive
East Syracuse, New York 13057

Regency Electronics, Inc.
P.O. Box 1743
Port-Au-Prince, Haiti

Japan Sourcing & Marketing Offices
Sugaya Bldg. 2nd floor
7-3, Yonbancho
Chiyoda-Ku, Tokyo, 102
Yonemura Bldg. 6-2-14
Akasaka, Minato-ku
Tokyo, 107

Taiwan Sourcing Office
P.O. Box 3702
Taipei, Taiwan
R.O.C.

Transfer Agent(s):

Merchants National Bank & Trust Co.
1 Merchants Plaza
Indianapolis, Indiana 46255

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RGCY (NASDAQ)

Number of Employees:

1985	N.A.	1982	1,300
1984	1,700	1981	1,150
1983	1,500		

Plant Footage:

1985	N.A.	1982	270,000
1984	314,000 sq. ft.	1981	270,000
1983	314,000		

N.A. - Not Available

Sales and Earnings

	Net Sales#	Net Income
1985	$ 114,396,054	$ 4,309,437
1984	109,468,676	2,026,261
1983	87,343,727	6,960,523
1982	66,235,028	5,055,363
1981	70,820,935	7,860,577

	No. of Com Shares ‡	Earn. per Share ‡
1985	10,730,000	$ 0.40
1984	10,730,000	0.19
1983	10,723,000	0.65
1982	10,788,000	0.47
1981	10,780,000	0.73

Includes other income.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.20	—	2-for-1
1983	0.20	—	—
1982	0.20	—	—
1981	0.19	—	2-for-1

† Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 46,940,330	$ 4.37
1984	44,776,636	4.17
1983	44,894,118	4.19
1982	40,033,428	3.71
1981	37,546,678	3.48

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 114,396,054	$ 109,468,676
Other income	1,579,625	1,154,567
Total income	$ 115,975,679	$ 110,623,243
Cost of sales	79,923,198	70,185,639
Expenses	22,090,615	22,845,357
Impairment in invest value of com-stock	944,000	5,100,000
Amort. of goodwill	1,329,862	845,780
Interest expense	2,587,672	1,508,886
Minority interest	—	559,638
Other charges	132,895	195,682
Income before taxes	$ 8,967,437	$ 9,382,261
Income taxes	4,658,000	7,356,000
Net Income	$ 4,309,437	$ 2,026,261

*Included in Costs and Expenses, Depreciation and Amortization: $2,108,832 in 1985 and $1,858,068 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 226,933	$ 142,653
Accts. receiv., net	21,760,332	25,777,719
*Inventories	39,315,217	33,496,107
Deferred employee benefits	1,319,699	1,499,300
Prepaid expenses	1,115,868	1,320,045
Deferred fed. inc. taxes	635,610	781,963
Current Assets	$ 64,373,659	$ 63,017,787
#Fixed assets	13,373,608	14,137,141
Prop. under cap. leases	2,297,215	1,791,595
Other assets	689,820	466,007
Intangibles	9,106,222	10,436,084
Invest in common stock	806,000	2,400,000
Total Assets	$ 90,646,524	$ 92,248,614

Liabilities

	1985	1984
Notes payable	$ 4,841,667	$ 12,291,667
Cap. lease oblig., curr.	3,219,721	3,155,700
Accts. payable	3,715,617	5,483,355
Accruals	2,723,979	3,105,420
Accrued payroll	1,933,890	1,810,152
Income taxes	560,410	
Deferred income taxes	5,169,600	4,791,000
Contribution to VEBA trust	1,167,516	1,493,067
Other taxes	528,653	915,745
Mfg. credits payable	—	2,419,872
Curr. Liabilities	$ 23,861,053	$ 35,465,978
Long-term debt	16,400,000	9,500,000
Cap. lease oblig.	2,592,141	2,000,000
Deferred inc. taxes	853,000	506,000
+ Common stock	2,208,539	2,208,539
Retained earnings	45,141,291	42,977,597
Treasury stock	(409,500)	(409,500)
Total Liabilities & Shareholders' Equity	$ 90,646,524	$ 92,248,614

* At lower of cost (FIFO) or market.
#.Less accumulated depreciation.
+ No par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	7.84	8.57
%Net Income to Sales	3.77	1.85
%Net Income to Equity	9.18	4.53
Sales to Inventories	2.91	3.27
Debt to Equity	0.58	0.60
Working Capital	$40,512,606	$27,551,809
Current Ratio	2.70	1.78
Shareholders' Equity	$46,940,330	$44,776,636

Resdel Industries

(53.2% owned by MDC Incorporated, a privately held investment banking firm)

300 East Live Oak Avenue
Arcadia, California 91006
(818) 441-3101

Officers: H.K. Abajian, chairman; Stanley K. Weissberg, president & chief executive officer; Barbara J. Pursell, v.p.-finance & chief financial officer; Malcolm F. Brown, Jr., v.p.-business development; Stephen J. Drgastin, treasurer; John H. Brink, secretary; Ernestine Hass, asst. secretary.

Directors: H.K. Abajian, Stanley K. Weissberg*, Stanley L. Hahn, John A. Brink, Stephen J. Drgastin, James C. Jordan, Jr., Charles W. Missler, Clarence A. Robinson, Charles A. Von Urff.

Areas of Work: Engaged in the design, development and manufacture of highly technical electronic communications systems and devices for government and prime contractors and in the design and distribution of consumer electronic communication products.

Subsidiaries:

Resdel Engineering Corporation
300 East Live Oak Avenue
Arcadia, California 91006

Engaged in the development and manufacture of government communications products: 20 watt S-band transmitters, miniature monitor receivers, microprinters, and 40 watt L-band strip line transmitters.

Transfer Agent(s):

First Interstate Bank of California
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RESD (NASDAQ)

Number of Employees:

1985	200	1982	N.A.
1984	162	1981	179
1983	N.A.		

N.A. - Not Available

Plant Footage:

1985	44,000 sq. ft.	1982	44,000
1984	44,000	1981	44,000
1983	44,000		

Sales and Earnings

	Net Sales	Net Income †
1985	$ 8,584,000	$ 192,000
1984	7,622,000	(2,067,000)
1983	8,879,000	512,000
1982	7,309,000	264,000
1981	6,045,000	(1,463,000)

	No. of Com Shares	Earn. per Share #†
1985	3,858,543	$ 0.05
1984	3,761,050	—
1983	3,761,050	0.14
1982	3,761,050	0.07
1981	3,761,050	

(Loss)
† Including extraordinary gains of $68,000 ($0.02 per share) in 1985, $211,000 ($0.06 per share) in 1983 and $76,000 ($0.02 per share) in 1982.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984	1983
Govt. prods. area:			
Receiver equip.	31%	32%	48%
Transmitter equip.	44	32	39
Digital equip.	14	13	7
Export prods. area:			
Receiver equip.	4	4	6
Transmitter equip.	1	—	—
Other	1	1	—

Industrial prod. area:			
Receiver equip	2	16	—
Digital equip	1	2	—
Transmitter equip	2	—	—
Total	100%	100%	100%

Income Account

Year ended June 30	1985	1984
Net sales	$ 8,584,000	$ 7,622,000
Cost of sales	5,964,000	6,906,000
Expenses	1,688,000	2,215,000
Research & devel	177,000	222,000
Depreciation & amortization	210,000	197,000
Interest expense	413,000	249,000
Other income	(78,000)	(100,000)
Inc. (loss) bef. taxes	$ 210,000	$ (2,067,000)
Income taxes	86,000	
Net Income (Loss)	$ 124,000	$ (2,067,000)
Extraord. gain	68,000	
Net Income (Loss) & extraord. gain	$ 192,000	$ (2,067,000)

Assets

As of June 30	1985	1984
Cash	$ 16,000	$ 24,000
Accts. receiv., net	2,146,000	904,000
*Inventories	1,659,000	1,552,000
Prepaid expenses	104,000	71,000
Refund inc. taxes	—	43,000
Current Assets	$ 3,925,000	$ 2,594,000
#Fixed assets	689,000	743,000
Other assets	18,000	18,000
Total Assets	$ 4,632,000	$ 3,355,000

Liabilities

	1985	1984
Long-term debt, curr	$ 400,000	$
Accts. payable	431,000	248,000
Accruals	542,000	275,000
Accrued payroll	377,000	292,000
Income taxes payable	19,000	108,000
Other taxes	98,000	
Curr. Liabilities	$ 1,867,000	$ 923,000
Long-term debt	3,839,000	3,699,000
+ Common stock	1,881,000	1,881,000
Add. paid-in capital	7,039,000	7,038,000
Retained earnings (deficit)	(9,994,000)	(10,186,000)
Total Liabilities & Shareholders' Equity	$ 4,632,000	$ 3,355,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.50 par value

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	2.45	—
%Net Income to Sales	1.44	—
Sales to Inventories	5.17	4.91
Working Capital	$ 2,058,000	$ 1,671,000
Current Ratio	2.10	2.81
Shareholders' Equity (Deficiency)	$(1,074,000)	$(1,267,000)

Research, Incorporated

P.O. Box 24064
Minneapolis, Minnesota 55424
(612) 941-3300

Corporate offices:

6425 Flying Cloud Drive
Eden Prairie, Minnesota 55344

Officers: A.E. Abramson, president; W.M. Mader, J.A. Ruce, F.T. Renshaw, G.W. Sangster, v.p.'s; G.E. Magnuson, secretary; C.C. Johnson, treasurer & asst. secretary.

Directors: A.E. Abramson, J.R. Anderson, K.G. Anderson, W.F. Benjamin, G.E. Magnuson.

Areas of Work: Designs, manufactures and sells proprietary products from the following three related groups: electronic and/or electrical process control instruments, radiant heating devices and telecommunications terminals.

Divisions:

Process Systems Division
Teleray Division
International Division

Transfer Agent(s):

Norwest Bank of Minneapolis, N.A.
7th Street at Marquette Avenue
Minneapolis, Minnesota 55479

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RESR (NASDAQ)

Number of Employees:

1985	264	1982	276
1984	252	1981	292
1983	258		

Plant Footage:

1985	90,000 sq. ft.	1982	90,000
1984	90,000	1981	90,000
1983	90,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 23,487,200	$ 1,712,400
1984	21,175,627	1,567,276
1983	21,442,807	1,205,178
1982	22,188,525	1,526,224
1981	22,832,832	1,853,259

	No. of Com. Shares	Earn. per Share #
1985	1,636,560	$ 1.05
1984	1,629,500	0.96
1983	1,629,500	0.74
1982	1,629,500	0.94
1981	1,629,500	1.14

# Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985 (000's)	%	1984 (000's)	%
Process control instruments	$11,519	49%	$ 9,043	43%
Radiant heating devices	7,704	33	7,164	34
Telecommunications terminals	4,264	18	4,969	23
Total	$23,487	100%	$21,176	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.54	—	—
1984	0.25	—	—
1983	0.25	—	—
1982	0.24	—	—
1981	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 13,630,900	$ 8.33
1984	12,735,600	7.82
1983	11,575,725	7.10
1982	10,777,932	6.61
1981	9,642,797	5.92

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 23,487,190	$ 21,175,627
Cost of sales	12,809,544	11,915,967
Expenses	8,173,984	7,551,19
Other income	(676,784)	(641,282
Prof. sh. plan	318,044	234,976
Income before taxes	$ 2,862,402	$ 2,114
Income taxes	1,150,000	547,500
Net Income	$ 1,712,402	$ 1,567,27

* Included in Costs and Expenses, Depreciation: $500,[illegible] 1985 and $291,246 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 439,381	$ 272,0
Short-term investments	5,363,456	5,349,811
Accts. receiv., net	3,647,319	4,418,194
*Inventories	4,738,736	4,478,841
Prepaid expenses	265,276	60,361
Current Assets	$ 14,454,168	$ 14,579,214
#Fixed assets	2,586,942	1,863,933
Total Assets	$ 17,041,110	$ 16,443,147

Liabilities

	1985	1984
Accts. payable	$ 1,302,876	$ 1,291,486
Accruals	1,720,470	1,689,959
Income taxes	386,828	726,086
Curr. Liabilities	$ 3,410,174	$ 3,707,531
+ Common stock	818,280	814,770
Add. paid-in capital	97,985	37,542
Retained earnings	12,714,671	11,883,304
Total Liabilities & Shareholders' Equity	$ 17,041,110	$ 16,443,147

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $0.50 par value

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	12.19	9.99
%Net Income to Sales	7.29	7.40
%Net Income to Equity	12.56	12.31
Working Capital	$11,043,994	$10,871,683
Current Ratio	4.24	3.93
Shareholders' Equity	$13,630,936	$12,735,616

Rexham Corporation

7315 Pineville-Matthews Road
Charlotte, North Carolina 28226
(704) 541-2800

Officers: Scott C. Lea, president; Keith F. Kennedy, sr. v.p.-law; Charles C. Brown, v.p.-Machinery Group; E. Bryant Frech, v.p.-Industrial Group; Thomas M. Little, v.p.-Packaging Group; Thomas L. McNerry, v.p.-finance & resources; W. Battle Wall, III, v.p.-carton, film & label packaging; Wesley G. Soule, treasurer; Rubina I. Grosso, secretary; Staton E. Boyette, Jr., controller & asst. treasurer.

Directors: F. Kenneth Iverson, J. Sinclair Armstrong, Roscoe C. Ingalls, Jr., Keith F. Kennedy, Scott C. Lea, Edward H. Michaelsen, Orland M. Scott, John Hoyt Stookey, Norman E. Auerbach.

Divisions and Subsidiaries:

Schiller Industries, Inc.
2000 Highway 157 West
P.O. Box 1088
Cullman, Alabama 35055
(205) 739-1115

Speedring Division

Tri-Tech Electronic Division

Manufactures ultraclose machine components for defense, aerospace, and commercial applications. Also produces electronic assemblies and custom designed interconnect harness systems.

Laminex, Inc.
Manufactures security/identification and graphic laminating systems.

Bartelt Machinery
Designs and manufactures machines that horizontally form, fill, and seal packages made from flexible materials.

Carton, Film & Label Packaging
Manufactures printed paperboard, films, pressure sensitive labels, and combinations plastic packaging for hosiery, textiles, cosmetics, pharmaceuticals, personal care, consumer electronics and hardware.

National Spectrographic Laboratories
Instrumentation and precision analytical testing for the aerospace, metals, energy, ceramics and chemical industries.

Flexible Packaging
Manufactures printed, coated, and laminated papers, films, foils for convenience foods, tobacco, photographic and health care products.

Industrial Films
Develops technical coatings and laminations of foils, tissues, and films for the electronic, automotive, and photographic industries and is engaged in the field of commercial chemical analysis.

Acquisition(s):

Lamotite, Inc.
Cleveland, Ohio
Coated products and film, foil, fabric and paper laminates for construction, automobiles, and other specialties.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: RXH

Sales and Earnings

	Net Sales +	Net Income +
1985	$ 212,898,000	$ 8,993,000
1984	213,938,000	7,033,000
1983	196,739,000	7,714,000
1982	190,651,000	8,992,000
1981	189,854,000	9,445,000

	No. of Com. Shares	Earn. per Share ‡
1985	4,115,542	$ 2.20
1984	4,067,379	1.73
1983	4,057,558	1.85
1982	4,294,008	2.09
1981	4,303,717	2.19

+ Of continuing operations only.
‡ Based on the weighted average number of common shares outstanding during the year.

Revenues By Line of Business
(000's)

	1985	1984
Coated or laminated paper, film & foil	$ 113,937	$ 115,351
Plain or uncoated film & others	10,509	10,321
Converted paperboard	39,579	38,358
Machinery	17,313	21,208
Precision metal & electronic components	31,560	28,700
Total	$ 212,898	$ 213,938

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.70	—	—
1984	0.70	—	—
1983	0.625	—	—
1982	0.60	—	—
1981	0.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 87,371,000	$ 21.23
1984	79,326,000	19.50
1983	75,798,000	18.68
1982	77,745,000	18.11
1981	72,018,000	16.73

Income Account *
(000's)

Year ended	12/29/85	12/30/84
Net sales	$ 212,898	$ 213,938
Cost of sales	173,419	174,697
Expenses	22,363	23,008
Interest & financing expense	1,186	1,426
Other expense	65	2,074
Income before taxes	$ 15,865	$ 12,733
Income taxes	6,872	5,700
Net Income	$ 8,993	$ 7,033

* Included in Costs and Expenses, Depreciation and Amortization: $6,986,000 in 1985 and $6,437,000 in 1984.

Assets
(000's)

As of	12/29/85	12/30/84
Cash	$ 6,868	$ 7,494
Short-term investments	15,300	9,153
Receivables, net	25,204	24,285
*Inventories	33,835	31,452
Other assets	1,530	1,420
Current Assets	$ 82,737	$ 73,804
#Fixed assets	64,064	59,451
Other assets	7,221	5,705
Total Assets	$ 154,022	$ 138,960

Liabilities
(000's)

Notes payable	$ 5,088	$
Long-term debt, curr.	1,766	523
Accts. payable	12,486	13,664
Accrued payroll	6,953	8,160
Income taxes pay.	3,131	1,507
Other accruals	3,253	2,129
Dividends payable	720	712
Curr. Liabilities	$ 33,397	$ 26,695
Long-term debt	20,771	22,491
Oblig. under cap. leases	362	459
Deferred inc. taxes	9,509	7,758
Other liab.	2,612	2,231
+ Common stock	4,500	4,500
Add. paid-in capital	31,177	31,277
Retained earnings	59,806	52,696
Treasury stock	(8,112)	(9,147)
Total Liabilities & Shareholders' Equity	$ 154,022	$ 138,960

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.45	5.95
%Net Income to Sales	4.22	3.29
%Net Income to Equity	10.29	8.87
Sales to Inventories	6.29	6.80
Debt to Equity	0.32	0.30
Working Capital	$49,340,000	$47,109,000
Current Ratio	2.48	2.76
Shareholders' Equity	$87,371,000	$79,326,000

Rexnord Inc.

350 North Sunny Slope
Brookfield, Wisconsin 53005
(414) 797-6900

Officers: Robert V. Krikorian, chairman; Donald Taylor, vice chairman & chief exec. officer; John P. Calhoun, president & chief operating officer; Wilbert E. Schauer, exec. v.p.-finance & administration & chief financial officer; Leonard P. Commerford, v.p. & sector exec.; James J. Hayden, v.p. & president-Rexnord Automation; Robert J. Kidon, v.p. & president-The Thompson Group; Robert M. MacQueen, v.p.-human resources; Edward W. Mentzer, v.p. & president-Mechanical Power Division; Charles R. Roy, v.p.-finance; David L. Shanks, v.p.-corp. relations; Warren R. Stumpe, v.p.-research & technology & chief technical officer; Joseph G. Waletzko, v.p.-operations support; Marion A. Youngers, v.p.-taxes & asst. secretary; Jorge Mir, controller & chief accounting officer; David J. Simpson, treasurer; Vance A. Smith, secretary & gen. counsel; Richard E. Grimord, asst. treasurer & asst. secretary.

Directors: Robert V. Krikorian, chairman; John G. Bollinger, Fred L. Brengel, John P. Calhoun, Francis E. Ferguson, Robert F. Froehike, Mitchell P. Kartalia, Jean-Pierre Labruyere, Daniel F. May, Gustave H. Moede, Jr., Wilbert E. Schauer, Donald Taylor.

Areas of Work: Manufactures mechanical components, process controls, engineered materials, crushing and processing machinery, water pollution control equipment, material handling systems, and other specialized products.

Subsidiaries:

Rexnord Automation
Clausing Corporation
Tano Corporation
InstaRead Corporation

Acquisition(s):

Electronic Modules Corporation
Timonium, Maryland
Designs and manufactures industrial and factory process controls.

Golden Triangle Plastics, Inc.
Bio-Nomic Resources, Inc. (80% owned)

Transfer Agent(s):

First Wisconsin Trust Company
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Stock Exchange(s): New York, Midwest, London

Ticker Symbol: REX

Number of Employees:

1985	13,324	1982	12,300
1984	13,637	1981	16,858
1983	11,749		

Sales and Earnings

	Net Sales	Net Income †
1985	$1,103,511,000	$ 36,155,000
1984	921,053,000	28,226,000
1983	804,513,000	3,927,000
1982	936,552,000	7,154,000
1981	1,130,039,000	38,548,000

	No. of Com. Shares ‡	Earn. per Share †‡
1985	22,987,000	$ 1.57
1984	20,667,000	1.37
1983	20,070,000	0.19
1982	20,036,000	0.35
1981	20,051,000	1.92

† Including extraordinary gain of $1,621,000 ($0.07 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Mechanical components	$ 427,000	$ 406,000
Process controls & instrument	158,000	65,000

Engineered materials	117,000	68,000
Process equip	303,000	271,000
Divested businesses	109,000	119,000
Eliminations	(10,000)	(8,000)
Total	$ 1,104,000	$ 921,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.43	—	—
1984	0.40	—	—
1983	0.40	—	—
1982	1.08	—	—
1981	1.07	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 468,087,000	$ 18.82
1984	391,484,000	18.59
1983	364,652,000	18.10
1982	371,128,000	18.46
1981	391,461,000	19.50

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Net sales	$ 1,103,511	$ 921,053
Cost of sales	765,921	652,186
Expenses	253,956	206,773
Interest expense	30,297	21,727
Discont. bus. exp	1,767	5,610
Other income	(5,073)	(8,015)
Income before taxes	$ 56,643	$ 42,772
Income taxes	20,488	16,167
Net Income	$ 36,155	$ 26,605
Extraord. gain	—	1,621
Net Income & extraord. gain	$ 36,155	$ 28,226

* Included in Costs and Expenses, Depreciation and Amortization: $47,306,000 in 1985 and $35,115,000 in 1984.

Assets
(000's)

As of Oct. 31	1985	1984
Cash	$ 9,836	$ 57,229
Marketable securities	4,023	4,045
Accts. receiv., net	203,509	168,780
*Inventories	198,569	193,319
Other curr. assets	54,235	21,763
Current Assets	$ 470,172	$ 445,136
#Fixed assets	267,616	275,820
Other assets	246,449	140,582
Total Assets	$ 984,237	$ 861,538

Liabilities
(000's)

	1985	1984
Notes payable	$ 51,379	$ 8,857
Long-term debt, curr	8,004	52,711
Accts. payable	58,897	44,754
Accruals	92,471	71,228
Income taxes	33,602	23,503
Curr. Liabilities	$ 244,353	$ 201,053
Long-term debt	159,446	194,826
Long-term liabilities	66,027	39,343
Minority interest	43	3,042
Deferred inc. taxes	16,281	31,790
+ Common stock	24,877	20,345
Add. paid-in capital	145,591	100,407
Retained earnings	330,188	303,878
Treasury stock	(32,569)	(33,146)
Total Liabilities & Shareholders' Equity	$ 984,237	$ 861,538

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.13	4.64
%Net Income to Sales	3.28	2.89
%Net Income to Equity	7.72	6.80
Sales to Inventories	5.56	4.76
Debt to Equity	0.53	0.65
Working Capital	$225,819,000	$244,083,000
Current Ratio	1.92	2.21
Shareholders' Equity	$468,087,000	$391,484,000

Ripley Company, Inc.

46 Nooks Hill Road
Cromwell, Connecticut 06416
(203) 635-2200

Officers: H.I. Thayer, Jr., president & chief executive officer; Alvah A. Russell, Jr., v.p.-engineering; James J. Matthews, vice president; Sebastian DiStefano, treasurer; S. Michael Schatz, secretary.

Directors: Sebastian DiStefano, H.I. Thayer, Jr., James J. Matthews, Lewis B. Daniels, Jr., Douglas Kellogg, James E. Griffin, Richard T. Gibbons.

Areas of Work: Specializes in the manufacture of blowers, electronics and mechanical timers, cable preparation tools and light-activated sunswitches, decorative street lights and packages to convert mercury vapor lights to high pressure sodium lights.

Transfer Agent(s):

The Connecticut Bank & Trust Co., N.A.
Hartford, Connecticut 06115

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RIPY (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1986	$ 5,703,015	$ 402,486
1985	5,314,988	356,331
1984	4,756,828	302,277
1983	5,385,549	338,269
1982	5,060,102	307,417

	No. of Com. Shares	Earn. per Share
1986	588,280	$ 0.68
1985	588,280	0.61
1984	588,280	0.51
1983	588,280	0.58
1982	588,280	0.52

Revenues By Line of Business

	1986	1985
Electronic equipment	$ 3,981,745	$ 3,627,396
Blower parts & accessories	296,936	283,606
Cable preparation tools	1,424,334	1,403,986
Total	$ 5,703,015	$ 5,314,988

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.20	—	—
1985	0.20	—	—
1984	0.20	—	—
1983	0.20	—	—
1982	0.20	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 2,988,708	$ 5.08
1985	2,699,882	4.59
1984	2,461,207	4.18
1983	2,276,586	3.87
1982	2,055,973	3.49

Income Account *

Year ended Feb. 28	1986	1985
Net sales	$ 5,703,015	$ 5,314,988
Cost of sales	3,748,556	3,540,454
Expenses	1,093,444	1,169,021
Other income	(9,622)	(78,318)
Unusual item	148,151	—
Income before taxes	$ 722,486	$ 683,831
Income taxes	320,000	327,500
Net Income	$ 402,486	$ 356,331

* Included in Costs and Expenses, Depreciation & Amortization: $90,131 in 1986 and $84,056 in 1985.

Assets

As of Feb. 28	1986	1985
Cash	$ 1,223,071	$ 912,238
Accts. receiv., net	716,744	764,669
*Inventories	1,291,897	1,397,155
Prepaid expenses & deferred charges	39,891	30,039
Current Assets	$ 3,271,603	$ 3,104,101
#Fixed assets	792,365	669,924
Other assets	12,044	15,113
Total Assets	$ 4,076,012	$ 3,789,138

Liabilities

	1986	1985
Long-term debt, curr	$ 48,167	$ 44,827
Accts. payable	178,447	216,410
Accruals	352,474	340,051
Income taxes	263,378	136,964
Curr. Liabilities	$ 842,466	$ 738,252
Lease obligations	214,838	263,004
Defer. inc. taxes	30,000	88,000
+ Common stock	297,975	297,975
Add. paid-in capital	413,085	413,529
Retained earnings	2,349,908	2,065,078
Treasury stock	(72,260)	(76,700)
Total Liabilities & Shareholders' Equity	$ 4,076,012	$ 3,789,138

* At lower cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.67	12.87
%Net Income to Sales	7.06	6.70
%Net Income to Equity	13.47	13.20
Sales to Inventories	4.41	3.80
Debt to Equity	0.09	0.11
Working Capital	$2,429,137	$2,365,849
Current Ratio	3.88	4.20
Shareholders' Equity	$2,988,708	$2,699,882

RMS Electronics, Inc.

50 Antin Place
Bronx, New York 10462
(212) 892-6700

Officers: Joseph F. Bradway, Jr., chairman of the board & chief executive officer; Arthur A. Fink, vice-chairman & treasurer; Dominick Padilla, v.p.-operations; Reynaldo Perez, v.p.-CATV Division; Jessie A. Ellis, asst. secretary; Harry Bogatch, v.p.-finance & secretary; Lawrence Gabel, controller.

Directors: Joseph F. Bradway, chairman; Arthur A. Fink, John de Elorza, Stephen P. Farrell, Thomas H. O'Brien, Jr., William A. Scarles.

RMS Electronics, Inc.

Areas of Work: Designs, manufactures, imports and distributes radio frequency (RF) passive devices, and related products for the cable television connectors, converters industry. Manufactures a line of stand-by, AC regulated and inverter power supplies for the cable TV industry.

Subsidiaries:

Poleline Corporation
Distributor operation that supplies construction materials to the cable television industry.

Kenyon Magnetics, Inc.
Manufactures transformers and other allied products.

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, N.J. 07016

Stock Exchange(s): American

Ticker Symbol: RMS

Number of Employees:

1985 54

Plant Footage:

1985 .... 103,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 14,977,000	$ (1,131,000)
1984	19,443,000	(1,878,000)
1983	19,304,000	(113,000)
1982	21,843,000	(382,000)
1981	24,829,000	959,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,587,692	$ —
1984	1,630,618	—
1983	1,622,186	—
1982	1,624,285	—
1981	1,591,410	0.60

(Loss)
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 4,012,822	$ 2.53
1984	5,529,763	3.39
1983	7,397,013	4.56
1982	7,461,018	4.59
1981	7,833,396	4.92

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 14,977,384	$ 19,548,696
Cost of sales	11,625,830	16,324,537
Expenses	3,900,305	5,130,943
Interest expense	581,772	834,928
Loss before taxes	$ (1,130,523)	$ (2,741,712)
Tax credit	—	(863,429)
Net Loss	$ (1,130,523)	$ (1,878,283)

* Included in Costs and Expenses, Depreciation and Amortization: $242,995 in 1985 and $234,338 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 525,738	$ 613,438
Accts. & notes receiv., net	2,137,685	3,271,821
Recoverable income taxes	63,619	864,778
*Inventories	3,790,457	6,828,131
Prepaid exp. & other assets	194,030	157,995
Misc. receiv.	23,755	37,200
Current Assets	$ 6,735,284	$ 11,773,363
#Fixed assets	1,685,131	1,836,808
Other assets	175,489	251,122
Total Assets	$ 8,595,904	$ 13,861,293

Liabilities

	1985	1984
Notes payable	$ 769,595	$ 3,600,000
Long-term debt, curr.	924,171	720,833
Accts. payable	637,408	1,329,794
Accruals	427,899	333,590
Curr. Liabilities	$ 2,759,073	$ 5,984,217
Long-term debt	1,824,009	2,347,313
+ Common stock	130,745	130,745
Add. paid-in capital	4,531,153	4,531,153
Retained earn. (deficit)	(262,658)	867,865
Treasury stock	(386,418)	—
Total Liabilities & Shareholders' Equity	$ 8,595,904	$ 13,861,293

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.08 par value.

Statistical Summary

Sales to Inventories	3.95	2.86
Debt to Equity	0.88	1.21
Working Capital	$3,976,211	$5,789,146
Current Ratio	2.44	1.97
Shareholders' Equity	$4,012,822	$5,529,763

Robertshaw Controls Company

P.O. Box 26544
1701 Byrd Avenue
Richmond, Virginia 23261
(804) 281-0700

Mailing address:

P.O. Box 26544
Richmond, Virginia 23261

Officers: David P. Reynolds, chairman of the board; Ralph S. Thomas, president & chief executive officer; Dean R. Dennis, exec. v.p. & chief operating officer; Joseph A. Howell, Jr., sr. v.p. & general counsel; Peter J. Sacchetti, asst. v.p. & gen. mgr.-New England Instrument Division; Kenneth T. Atherholt, v.p.; Milo J. Bowen, v.p. & gen. mgr.-Milford Division; Martin J. Miller, v.p. & gen. mgr.-New Stanton Division; Donnell H. Fox, v.p. & gen. mgr.-Uni-Line Division; William A. Cashin, Jr., v.p. & gen. mgr.-Control Systems Division; William T. Moon, v.p. & gen. mgr.-Tennessee Division;George A. Yeaman, v.p. & gen. mgr.-Grayson Controls Division; Jules M. Kabat, v.p. & gen. mgr.-Integrated Systems Division; Kenneth L. LaGrand, v.p. & gen. mgr.-Simicon Division; K.W. Whittington, v.p. & gen. mgr.-international operations; Robert W. Pendergast, v.p.-financial & public relations; Larry N. McLenagan, controller; G. Richland Martin, treasurer; Robert E. Sweaney, secretary & general attorney.

Directors: David P. Reynolds*, chairman; Dean R. Dennis, Robert L. Hintz, William S. Leonhardt, Ross R. Millhiser, Joseph A. Howell, Jr., Ralph S. Thomas*, Paul E. Reichardt, John E. Blomquist, Frank G. Louthan, Jr., William O. Bourke, R. Bern Crowl, J. Carter Fox, Martin J. Miller, George A. Yeaman.

* Member of the Executive Committee

Areas of Work: Engaged in the manufacture of automatic controls and control systems for industry, commercial buildings and the home. Products include controls for regulating and measuring temperature and pressure, for heating and cooling, for appliances, for transportation, for industrial processes and systems and instrumentation for other precise control requirements.

Divisions:

Ellijay Division
Ellijay, Georgia 30540
(404) 635-7951
Components of gas ranges are produced by this division. Products include gas valves, pressure regulators, burners, manifolds and other accessories.

El Paso Division
320 N. Clark Drive
El Paso, Texas 79905
(919) 593-4111
Manufacturer of automatic temperature control devices.

Tennessee Division
2318 Kingston Pike S.W.
Knoxville, Tennessee 37901
(615) 546-0550

Cathage, Tennessee
Lebanon, Tennessee
Havertown, Pennsylvania
Heating and ventilating controls, engine control systems, valves, seals, pressure gauges, metal bellows and bellows assemblies, automobile thermostats, aircraft and missile controls.

Grayson Controls Division
100 W. Victoria Street
Long Beach, California 90805
(213) 663-8301
Controls for appliances and heating equipment.

Integrated Systems Division
1928 Western Avenue
Las Vegas, Nevada 89102
(702) 382-8494
Manufactures and markets electronic room status and control systems for hotels, motels and related structures. Also manufactures fire and security systems for commercial buildings.

Milford Division
155 Hill Street
Milford, Connecticut 06460
(203) 878-1721

Independence, Virginia

Air conditioning and refrigeration controls, solid state motor protection systems, and electronic environmental control systems. Hydraulically-formed and precision welded bellows and bellow assemblies for appliance controls and aircraft engine controls.

New Stanton Division
Youngwood, Pennsylvania 15697
(412) 925-7211
Gas and electric controls for domestic and commercial cooking appliances.

Fallbrook Division
1375 S. Mission Road
Fallbrook, California 92028
(714) 728-6141
Controls for electric home heating systems, including time delay switches, control relays and current sensing relays.

Simicon Division
942 Brooks Avenue
Holland, Michigan 49423
(616) 396-1467
Solid state safety controls for oil furnaces; air-conditioning time delays and power supply transformers.

International Operations
1701 Byrd Avenue
Richmond, Virginia 23261
(804) 282-9561
Markets controls produced by U.S. divisions and foreign subsidiaries.

Uni-Line Division
4190 Temescal Street
P.O. Box 2000
Corona, California 91720
(714) 734-2600
Wholesale distribution of gas, electric, and pneumatic controls and accessories to the plumbing, refrigeration, appliance, heating and air-conditioning industries.

New England Instrument Division
Natick, Massachusetts
A leading manufacturer of precision potentiometers and position, temperature and pressure sensors with broad application for the industrial and transportation industries.

Subsidiaries:

Robertshaw International Sales Company
Richmond, Virginia

Robertshaw Controls (Canada) Ltd
Toronto, Ontario, Canada

Lux Time (Canada) Limited
Oakville, Ontario, Canada

Controles Robertshaw Do Brasil, S.A. (64.3% owned)
Caxias do Sul & Sao Paulo, Brazil

Robertshaw Orient, Ltd. (74.3% owned)
Tokyo, Japan

Robertshaw Controls (Australia) Pty., Ltd. (69% owned)
Pendle Hill, N.S.W., Australia

Robertshaw Europa N.V.
Amsterdam, The Netherlands

Compagnie Europeenne des Thermostats, S.A. (C.E.T.)
Massy, France

Seoul & Inchon, Korea
Masterton, New Zealand
Goteborg, Sweden
Amersham, Buckinghamshire, United Kingdom

Precision S.A. (affiliate)
Mexico City, Mexico

Transfer Agent(s):

Sovran Bank, N.A.
Richmond, Virginia

Stock Exchange(s): New York

Ticker Symbol: ROF

Number of Employees:

1985	7,920	1982	7,423
1984	8,167	1981	8,748
1983	8,247		

Plant Footage:

1985	3,000,000 sq.ft.	1983	3,000,000
1984	3,000,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 412,832,000	$ 23,625,000
1984	416,094,000	24,005,000
1983	371,074,000	15,728,000
1982	331,717,000	5,527,000
1981	351,565,000	7,901,000

	No. of Com. Shares ‡	Earn. per Share +
1985	5,457,386	$ 4.34
1984	5,432,647	4.43
1983	5,391,159	2.93
1982	5,344,353	1.04
1981	5,273,779	1.50

‡ Adjusted to reflect stock split.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985 (000's)	1984 (000's)
Temperature controls for homes & commercial buildings	$ 208,591	$ 196,295
Controls for home appliances	110,605	115,068
Industrial controls & instrumentation	74,915	76,050
Transportation, consumer & other	76,014	84,397
Adjustments & eliminations	(57,293)	(55,716)
Total	$ 412,832	$ 416,094

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$1.14	—	—
1984	1.03	—	—
1983	0.93	—	3-for-2
1982	0.93	—	—
1981	0.93	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 155,255,000	$ 28.45
1984	137,447,000	25.30
1983	119,390,000	22.15
1982	108,275,000	20.26
1981	110,174,000	20.89

+ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 412,832,000	$ 416,094,000
Other income	5,103,000	4,626,000
Total Income	$ 417,935,000	$ 420,720,000
Cost of sales	307,629,000	305,631,000
Expenses	65,786,000	69,267,000
Interest expense	2,530,000	2,864,000
Other charges	1,521,000	3,053,000
Income before taxes	$ 40,469,000	$ 39,905,000
Income taxes	26,844,000	15,900,000
Net Income	$ 23,625,000	$ 24,005,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,774,000 in 1985 and $8,374,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 10,826,000	$ 10,557,000
Receiv., net	68,054,000	67,439,000
*Inventories	67,692,000	60,553,000
Prepaid expenses	5,256,000	6,650,000
Current Assets	$ 151,828,000	$ 145,199,000
Investments	15,769,000	13,887,000
#Fixed assets	68,060,000	63,919,000
Intangibles	779,000	1,374,000
Total Assets	$ 236,436,000	$ 224,379,000

Liabilities

Long-term debt, curr.	$ 3,437,000	$ 3,496,000
Accts. payable	12,599,000	13,171,000
Accruals	31,499,000	34,096,000
Income taxes	1,678,000	2,529,000
Curr. Liabilities	$ 49,213,000	$ 53,292,000
Long-term debt	23,801,000	26,747,000
Deferred inc. taxes	8,167,000	6,893,000
+ Common stock	6,008,000	5,983,000
Add. paid-in capital	16,653,000	16,194,000
Retained earnings	146,880,000	129,469,000
For. curr. trans. adjust.	(5,477,000)	(5,390,000)
Treasury stock	(8,809,000)	(8,809,000)
Total Liabilities & Shareholders' Equity	$ 236,436,000	$ 224,379,000

* At lower of cost (generally LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.80	9.59
%Net Income to Sales	5.72	5.77
%Net Income to Equity	15.22	17.46
Sales to Inventories	6.10	6.87
Debt to Equity	0.18	0.22
Working Capital	$102,615,000	$ 91,907,000
Current Ratio	3.09	2.72
Shareholders' Equity	$155,255,000	$137,447,000

Robinson-Halpern Company

(acquired by Teleflex Incorporated in 1986)

One Apollo Road
Plymouth Meeting, Pennsylvania 19462
(215) 825-9200

Officers: Ivan E. Robinson, chairman of the board, president & treasurer; Ruth M. Currier, secretary.

Directors: Ivan E. Robinson, chairman; Walter Friedrich, William F. Hamilton, Myra Robinson.

Areas of Work: Design, manufacture and sale of electronic instrumentation for measurement and control of pressure, temperature and displacement. The primary products are transducers.

Subsidiaries:

Star-Byte, Inc.

High Temperature Instruments Engineering Corp.

Transfer Agent(s):

Pittsburgh National Bank
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: RHAL (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,850,596	$ 104,573
1984	3,205,844	21,896
1983	2,972,409	150,526
1982	2,471,959	29,667
1981	2,394,179	42,601

	No. of Com. Shares ‡	Earn. per Share ‡
1985	314,600	$ 0.33
1984	314,840	0.07
1983	315,824	0.48
1982	317,774	0.09
1981	318,092	0.14

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 1,411,014	$ 4.49
1984	1,306,771	4.15
1983	1,286,223	4.07
1982	1,139,197	3.58
1981	1,111,249	3.49

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Apr. 30	1985	1984
Net sales	$ 3,850,596	$ 3,205,844
Cost of sales	2,317,624	2,033,817
Expenses	1,300,650	1,090,681
Interest expense	102,995	1,109,956
Other expense (income)	4,884	(19,275)
Income before taxes	$ 124,443	$ 16,169
Income taxes (credit)	19,870	(5,727)
Net Income	$ 104,573	$ 21,896

* Included in Costs and Expenses, Depreciation and Amortization: $84,582 in 1985 and $72,325 in 1984.

Robinson-Halpern Company

Assets

As of Apr. 30	1985	1984
Cash	$ 112,111	$ 122,254
Accts. receiv., net	562,281	521,248
*Inventories	815,354	716,205
Prepaid expenses	75,004	97,796
Current Assets	$ 1,564,750	$ 1,457,503
#Fixed assets	866,263	788,789
Goodwill	218,122	225,239
Loan receivable	10,500	—
Deposits & other assets	34,291	
Value of life insur	6,342	5,041
Total Assets	$ 2,700,268	$ 2,476,572

Liabilities

	1985	1984
Notes payable	$ 80,000	$ 50,000
Long-term debt, curr	133,442	142,768
Accts. payable	316,233	163,091
Accrued liabilities	253,518	222,433
Income taxes	15,800	5,300
Curr. Liabilities	$ 798,993	$ 583,592
Long-term debt	481,661	582,009
Def. inc. taxes pay	8,600	4,200
+Common stock	41,580	41,580
Add. paid-in capital	1,045,158	1,045,158
Retained earnings	450,585	346,012
Treasury stock	(126,309)	(125,979)
Total Liabilities & Shareholders' Equity	$ 2,700,268	$ 2,476,572

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ No par value; $0.10 stated value

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	3.23	0.50
%Net Income to Sales	2.72	0.68
%Net Income to Equity	7.41	1.68
Sales to Inventories	4.72	4.48
Debt to Equity	0.49	0.59
Working Capital	$765,757	$ 873,911
Current Ratio	$1.96	2.50
Shareholders' Equity	$1,411,014	$1,306,771

Rockwell International Corporation

600 Grant Street
Pittsburgh, Pennsylvania 15219
(412) 565-2000

2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

Officers: Robert Anderson, chairman of the board & chief executive officer; Donald R. Beall, president & chief operating officer; Martin D. Walker, exec. v.p.; Kent M. Black, v.p. & president-Commercial Electronics; Robert L. Cattoi, sr. v.p.-research and engineering; Lee H. Cramer, treasurer; Robert A. dePalma, sr. v.p.-finance & chief financial officer; J. A. Earley, v.p.-corporate development; Richard W. Foxen, sr. v.p.-international; Charles H. Harff, sr. v.p., gen. counsel & secretary; Bastian Hello, sr. v.p.-government relations; Sam F. Iacobellis, v.p. and president-North American Aircraft; George W. Jeffs, v.p. & president-North American Space; Lawrence J. Komatz, controller; Edward A. Loeser, sr. v.p.-operations; Carl J. Oles, v.p.-senior labor relations advisor; Samuel Petok, sr. v.p.-communications; Arthur P. Ronan, v.p. & president-Automotive; John J. Roscia, sr. v.p., asst. to chairman & chief executive officer; Charles C. Stoops, Jr., general tax counsel; Donald J. Yockey, v.p. & president-Defense Electronics; E.N. Yost, general auditor.

Directors: Robert Anderson, chairman; Donald R. Beall, Robert A. dePalma, Robin Chandler Duke, Fred L. Hartley, J. Clayburn La Force, Jr., Henry T. Mudd, Bruce M. Rockwell, William A. Seifert, Jr., Robert E. Seymour, Ross D. Siragusa, Jr., William S. Sneath, Joseph F. Toot, Jr., Martin D. Walker, Harrington Drake, John R. Stafford.

Areas of Work: The Company is a multi-industry corporation engaged in research and development, and the manufacture and sale of many products for commercial and government markets. The Company is organized into four business segments: Aerospace, Electronics, Automotive and General Industries.

Business Segments and Subsidiaries:

Aerospace

The principal space activity is the Space shuttle program for NASA. The company has developed and is producing the shuttle orbiter and, through its Rocketdyne Division, the orbiter main engines. It also assists NASA in the integration of the overall space transportation system. The Rocketdyne Division works under a United States Air Force contract for the engineering development of the Peacekeeper missile; develops and manufactures large liquid rocket engines for space and military applications and small rocket engines for altitude and reentry control.

The Company also engages in various research and development activities, such as those related to advanced space-based surveillance systems and directed energy weapons, and technology development and systems analysis efforts, such as those relating to advanced military aircraft.

North American Space Operations
2230 East Imperial Highway
El Segundo, California 90245
(213) 647-5000

North American Aircraft Operations
100 N. Sepulveda Boulevard
El Segundo, California 90245
(213) 647-1000

Electronics

This division manufactures high technology electronic equipment and systems for military navigation, command, control, communications and intelligence, missile systems and other special applications for the United States and foreign governments; also manufactures a broad spectrum of radio transceivers for various military applications that range from very low frequency to extremely high frequency. These products are combined with other ancillary items to form integrated command, control, communications and intelligence systems.

The division is the principal supplier of the inertial navigation systems for the Navy's ballistic missile and attack submarine fleets, supplies component and services related to the guidance and control systems of the Minuteman intercontinental ballistic missile fleet and works under contracts for both ground and airborne high frequency communication equipment for the modernization programs for the United States and NATO forces.

In commercial electronics, the Company supplies avionics, telecommunications and semiconductor products and systems to commercial and government customers worldwide. Electronics supplies communications, navigation, flight control, and other avionics systems to the air transport, general aviation and government markets. Products include telecommunications, transmission and switching systemes and telephone products which are supplied to a broad range of customers in the United States and foreign countries.

General Industries

The Graphic Systems Division manufactures and sells high-speed printing presses and related equipment used principally for printing newspapers. Products include the Metroliner press designed for large metropolitan daily newspapers and the HV, Urbanite and community presses designed for medium size daily and weekly newspapers and commercial printers. The Divison also manufactures and sells automatic mailroom equipment and purchases for resale a line of commercial sheetfed presses and related equipment.

The Company manufactures, purchases for resale, and sells industrial sewing machines to the textile industry. The Power Tool Division manufactures stationary woodworking machinery and pneumatic and specialty tools for the general industiral and construction markets.

The flow control and the municipal & utility division manufacture and sell control and measurement equipment for gas, water and other fluids in the energy, utility and construction markets and a broad line of valves used for a variety of applications in nuclear and fossil systems for the energy and power generation markets. Other products include valve lubricants, pipe clamps and couplings. Primary customers for these products are electric, gas and water utilities, oil companies, chemical companies, municipalities and building contractors, as well as chemical companies.

The Energy Systems Group participates in the development of the liquid metal fast breeder reactor, the production of safety equipment for conventional light water nuclear reactors and the decontamination and decommissioning of nuclear facilities. The Group also operates a liquid metal development center for the fast breeder effort of the Department of Energy (DOE) and is active in the development of other alternative energy sources. The Group provides chemical processing, waste management and site support services at the DOE's Hanford Project near Richland, Washington and operates the DOE's Rocky Flats Plant near Denver, Colorado, which is engaged in nuclear weapons components manufacturing, plutonium recovery and waste treatment. The Group is continuing development work under DOE contracts in the coal gasification and liquefaction processes. The Group also supplies commercial flue gas cleaning systems and environmental monitoring systems to utilities and industry.

General Industries Operations
400 North Lexington Avenue
Pittsburgh,Pennsylvania 15208
(414) 247-3000

Rockwell do Brasil Industrial e Commercio Ltda.
Limeira, Sao Paulo, Brazil

Rockwell-International of Canada Ltd
Barrie & Guelph Ontaio
Canada

Rockwell-Rimoldi France S.A.
Boulogne, France

Rockwell Systems Graphiques, S.A.
Paris, France

Rockwell Valves, S.A.
Unieux, France

Rockwell Graphic Systems, Inc.
Obertshausen, West Germany

Rockwell-Rimoldi GmbH
Reutlingen, West Germany

Rockwell-Rimoldi S.p.A.
Olcella, Busto Garollo, Italy

Rockwell-Rimoldi Espanola S.A.
Barcelona, Spain

Rockwell-Rimoldi (Great Britain) Limited
Darby, Leicestershire, U.K.

Rockwell Graphic Systems Limited
Preston, U.K.

Automotive

Automotive Businesses' principal activity is the manufacture and sale of various proprietary components for heavy-duty vehicles used on and off the highway. Automotive designs and manufactures a broad line of axles for heavy-duty applications for on- and off-highway vehicles, including single and tandem drive axles, driving and non-driving front axles, trailer axles, rigid and steering planetary axles and driving steering axles. The businesses design and manufacture a complete line of heavy-duty brakes and brake assemblies and components for use in the transportation, construction, mining, agriculture, forestry and industrial fields. The businesses also manufacture and sell special drives and transmissions, universal joints and drivelines, gear boxes, springs and plastic hood, door and fender assemblies for these vehicles.

The Automotive businesses also manufacture and sell springs and plastic components and accessories for light trucks and passenger cars, and steel and case aluminum wheels, wheel covers, sun roofs, window regulators, door latches and door locking systems for passenger cars. In addition, the businesses manufacture and sell large steel castings, including those used in military cast armor programs and diesel locomotives.

The Company's automotive products are nearly all sold directly to manufacturers of original equipment, some of which are also competitors in that they produce for their own use many of the products manufactured by the Automotive Businesses.

Automotive Businesses
2135 West Maple Road
Troy, Michigan 48084
(313) 435-1000

Rockwell Standard of Australia Ltd
Melbourne, Australia

Wilmot Breeden (Australia) Pty. Ltd
Preston, Australia

Rockwell do Brasil Industria e Commercio Ltda
Limeira, Brazil

Rockwell International of Canada, Ltd
Bracebridge, Chatham, Gananoque, Lacolle, Milton,
Mississauga, Tilbary, Canada

Compagnie Industrielle de Mecanismes S.A.
Levallois, Perret Cedex, France

Rockwell International S.A.
Rungis Cedex, France

Rockwell Golde GmbH
Frankfurt, West Germany

Rockwell Bremsen
Geschaftsbereich der Rockwell-Gold GmbH
Alyeneau/Unterfranken
West Germany

Rockwell Golde Italiana SpA
Como, Italy

Rockwell International Manufacturing Pte. Ltd
Singapore

Rockwell-Maudslay Limited
Alcester, U.K.

Wilmot Breeden Limited
Birmingham, U.K.

Rockwell Thompson Limited
Wolverhampton, U.K.

Rockwell CVC S.p.A.
San Mauro Torinese, Italy

Rockwell CVC S.p.A.
Cameri, Italy

Acquisition(s):

Allen-Bradley Company
Milwaukee, Wisconsin

Supplies programmable controllers to the factory automation market. Also produces standard control products, computer numerical control systems, drives and passive electronic components.

Transfer Agent(s):

Mellon Bank, N.A. (common stock; $4.75 convertible preferred, Series A; $1.35 convertible preferred, Series B)
P.O. Box 444
Pittsburgh, Pennsylvania 15230

67 Broad Street
New York, New York 10004

The First National Bank of Boston
(common stock & $4.75 convertible preferred, Series A)
Boston, Massachusetts 02102

National Bank of Detroit
Detroit, Michigan 48232

First Interstate Bank of California
Los Angeles, California 90051

The Royal Trust Company
Toronto, Ontario, Canada M5W 1P9

The First National Bank of Chicago
(common stock; $1.35 convertible preferred, Series B)
Chicago, Illinois 60670

Stock Exchange(s): New York, Boston, Midwest, Pacific, Philadelphia, Toronto, Basel, Geneva, Lausanne, Zurich, Frankfurt, London

Ticker Symbol: ROK

Number of Employees:

1985	123,266	1982	100,271
1984	106,000	1981	103,455
1983	102,707		

Plant Footage:

1985	N.A.	1982	45,900,000
1984	44,500,000 sq.ft.	1981	45,800,000
1983	45,200,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales † (000's)	Net Income (000's)
1985	$ 11,337,600	$ 595,300
1984	9,322,100	496,500
1983	8,097,900	389,100
1982	7,395,400	331,600
1981	7,039,700	318,800

	No. of Com. Shares #	Earn. per Share #
1985	148,700,000	$ 4.00
1984	152,300,000	3.25
1983	153,800,000	2.52
1982	152,500,000	2.16
1981	151,200,000	2.10

† Of continuing operations only.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Automotive operations	$ 1,722,000	$ 1,758,000
Electronics operations: Guidance & control, avionics and telecommunications systems & equipment, devices and calculator products	3,412,000	2,387,000
Aerospace operations	5,309,000	4,332,000
General industries	895,000	845,000
Total	$ 11,338,000	$ 9,322,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.06	—	—
1984	0.94	—	—
1983	0.83	—	2-for-1
1982	0.78	—	—
1981	0.72	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity ‡ (000's)	Equity Per Share †
1985	$ 2,931,800	$ 19.64
1984	2,494,700	16.78
1983	2,337,600	15.13
1982	2,060,000	13.47
1981	1,870,200	12.31

‡ After allowing for Series A and Series B preferred stock at total liquidation value.
† Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 11,337,600	$ 9,322,100
Other income	125,500	144,000
Total Income	$ 11,463,100	$ 9,466,100
Cost of sales	9,090,700	7,562,400
Expenses	1,218,300	961,400
Interest expense	91,600	42,800
Income before taxes	$ 1,062,500	$ 899,500
Income taxes	467,200	403,000
Net Income	$ 595,300	$ 496,500

* Included in Costs and Expenses, Depreciation $448,200,000 in 1985 and $306,700,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 451,500	$ 1,148,400
Accts. & notes receiv., net	1,724,900	1,519,900
*Inventories	1,240,500	896,100
Prepaid expenses	75,800	48,400
Current Assets	$ 3,492,700	$ 3,612,800
Investments	146,100	140,600
#Fixed assets	2,523,800	1,990,300
Other assets	1,170,200	125,800
Total Assets	$ 7,332,800	$ 5,869,500

Liabilities
(000's)

	1985	1984
Short-term borrowings	$ 122,200	$ 53,000
Accts. payable	956,600	809,800
Adv. pay. from cust.	198,900	164,100
Accrued payroll	341,700	271,700
Accrued retire. plan costs	97,300	89,900
Income taxes	127,100	92,500
Deferred inc. taxes	978,900	932,100
Other	494,800	426,400
Curr. Liabilities	$ 3,317,500	$ 2,839,500
Long-term debt	647,500	218,600
Other liabilities	419,500	289,800
+ Preferred stock	1,600	2,800
+ + Common stock	155,300	153,300
Add. paid-in capital	220,100	219,500
For. curr. trans.	(109,900)	(120,900)
Retained earnings	2,843,200	2,440,600
Treasury stock	(162,000)	(175,700)
Total Liabilities & Shareholders' Equity	$ 7,332,800	$ 5,869,500

* At lower of cost (average, FIFO or LIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value: Series A, $4.75 cumulative; series B, $1.35 cumulative.
+ + $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.37	9.65
%Net Income to Sales	5.25	5.33
%Net Income to Equity	20.19	19.69
Sales to Inventories	9.14	10.40
Debt to Equity	0.26	0.11
Working Capital	$ 175,200,000	$ 773,300,000
Current Ratio	1.05	1.27
Shareholders' Equity	$2,948,300,000	$2,521,600,000

Rogers Corporation

One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605

Officers: Norman L. Greenman, president & chief exec. officer; Harry H. Birkenruth, sr. vice president-finance; Richard C. Berry, sr. v.p.-technology; Aarno A. Hassell, v.p.-microwave products group; William Schoppenhorst, v.p.-human resources; paul L. Anderson, v.p.-sales; A. David Chesmer, v.p.-polymer products group; David P. Bell, treasurer; Howard A. Raphaelson, controller; Robert M. Soffer, asst. treasurer; Richard N. Bail, clerk.

Directors: Harry H. Birkenruth, Richard N. Bail, Wallace Barnes, Carl N. Hansen, Norman L. Greenman, Charles A. Myers, Charles F. Spiro, Brage Golding, Leonid V. Azaroff.

Divisions:

Molding Materials Division
Mill and Oakland Streets
Manchester, Connecticut 06040
(203) 646-5500
(203) 643-5162-63

Manufactures fiber-reinforced thermosetting molding materials including phenolic and diallyl phthalate engineering plastics.

Rogers Corporation

Poron/Composites Division-Composites Plant
One Technology Drive
Rogers, Connecticut 06263
(203) 774-9605
Manufactures RT/duroid® and R/flex

Poron/Composites Division-Poron Plant
P.O. Box 158
E. Woodstock, Connecticut 06244
(203) 928-7931
Manufactures Poron® PVC and polyurethane-based microcellular materials.

Polymer Products Group-Willimantic Division
Route 32
Willimantic, Connecticut 06226
(203) 423-6323
Manufactures Nitrophyl® carburetor and fuel tank floats, Endur® engineered parts and assemblies.

Polymer Products Group - Atlanta Division
5259 Minola Drive
Lithonia, Georgia 30058
(404) 981-9830
Envex® polyimide components, RT/duroid® reinforced PTFE components and mechanically generated circuits.

Bus Products Division - Interconnection Products Group
5750 East McKellips Road
Mesa, Arizona 85205
(602) 830-3370
Manufactures Mektron® laminar power distribution bus bars, Quik/Bus® conductors, and Strip/Bus bus strips.

Circuit Components Division - Interconnection Products Group
(602) 830-3370
Manufactures components mounted on painted circuit boards.

Flexible Interconnections Division
Dobson and Williams Field Road
Chandler, Arizona 85224
(602) 963-4684
Manufactures flexible circuits.

Circuit Materials Division - Interconnection Products Group
Dobson and Williamsfield Road
Chandler, Arizona 85224
(602) 963-4584
Manufactures R/flex materials for flexible circuit substrates and integrated circuit bonding tape carrier materials.

Microwave Materials Division
Microwave Products Group
Chandler, Arizona 85224
(602) 963-4584
Manufactures RT/duroid laminate materials for microstrip circuits, stripline circuits, and microwave antennas.

Soladyne Division of Microwave Products Group
San Diego, California
Manufactures microwave stripline and microstrip circuits and bonded assemblies.

Subsidiaries:

Rogers Foreign Sales Corporation (FSC)
Rogers, Connecticut 06263
(203) 774-9605

Rogers Mexicana S.A. de C.V.
Agua Prieta, Sonora, Mexico

Rogers Japan Inc.
Tokyo, Japan

Mektron, N.V.
188 Afrikalaan
Ghent, Belgium

Mektron GmbH
Weiterstadt, West Germany

Mektron France S.A.
Fresnes and Chateau Gontier, France

Mektron Circuits Systems Ltd.
Leatherhead, United Kingdom

Transfer Agent(s):
First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): American, Pacific

Ticker Symbol: ROG

Number of Employees:

1985	2,558	1982	2,357
1984	2,701	1981	2,473
1983	2,291		

Plant Footage:

1985	1,200,800 sq. ft.	1982	1,048,000
1984	1,121,000	1981	1,004,000
1983	1,051,000		

Sales and Earnings

	Net Sales #	Net Income
1985	$ 125,299,000	$ 772,000
1984	137,088,000	6,368,000
1983	109,943,000	4,675,000
1982	101,713,000	1,052,000
1981	102,982,000	2,629,000

	No. of Com. Shares	Earn. per Share †
1985	2,957,502	$ 0.26
1984	2,926,189	2.15
1983	2,908,971	1.58
1982	2,898,827	0.36
1981	2,877,002	0.92

Of continuing operations only.
† Based on the average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.12	—	—
1984	0.12	—	—
1983	0.12	—	—
1982	0.12	—	—
1981	0.12	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 44,401,000	$ 15.01
1984	42,278,000	14.45
1983	36,347,000	12.49
1982	32,451,000	11.19
1981	32,127,000	11.17

Income Account *

Year ended	12/29/85	12/30/84
Net sales	$ 125,299,000	$ 137,088,000
Cost of sales	97,444,000	101,321,000
Expenses	27,608,000	26,523,000
Other income	(1,131,000)	(1,337,000)
Interest expense	1,882,000	1,506,000
Gain on sale of Amicon stock	—	(196,000)
Nonrecurring loss	429,000	—
Inc. (loss) bef. taxes	$ (933,000)	$ 9,271,000
Income taxes (credit)	(1,705,000)	2,903,000
Net Income	$ 772,000	$ 6,368,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,909,000 in 1985 and $4,649,000 in 1984.

Assets

As of	12/29/85	12/30/84
Cash & short-term invest.	$ 5,630,000	$ 2,263,000
Accts. reciev., net	16,236,000	20,780,000
*Inventories	17,274,000	17,974,000
Refund inc. taxes	1,156,00	8,000
Prepayments	531,000	385,000
Current Assets	$ 40,827,000	$ 41,410,000
#Fixed assets	50,374,000	42,923,000
Unexpended bond proceeds	2,459,000	4,344,000
Other assets	1,643,000	1,583,000
Total Assets	$ 95,303,000	$ 90,260,000

Liabilities

Notes payable	$ 477,000	$ 933,000
Long-term debt, curr.	1,746,000	1,415,000
Accts. payable	7,933,000	9,360,000
Accruals	1,083,000	1,165,000
Accrued payroll	5,552,000	6,719,000
Accrued interest	1,036,000	632,000
Income taxes	40,000	248,000
Other taxes	773,000	985,000
Curr. Liabilities	$ 18,640,000	$ 21,457,000
Long-term debt	27,041,000	21,184,000
Deferred inc. taxes	5,221,000	5,341,000
+ Common stock	2,958,000	2,926,000
Add. paid-in capital	17,548,000	16,910,000
Retained earnings	25,529,000	25,110,000
Equity trans. adjust.	(1,634,000)	(2,668,000)
Total Liabilities & Shareholders' Equity	$ 95,303,000	$ 90,260,000

* At lower of cost (standard cost which approx. average actual cost) or market. Materials divisions are valued at lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.76
%Net Income to Sales	0.62	4.65
%Net Income to Equity	1.74	15.06
Sales to Inventories	7.25	7.63
Debt to Equity	0.66	0.56
Working Capital	$22,187,000	$19,953,000
Current Ratio	2.19	1.93
Shareholders' Equity	$44,401,000	$42,278,000

RTE Corporation

235 North Executive Drive
Brookfield, Wisconsin 53005
(414) 736-2559

Officers: Loren D. Barre, chairman & chief executive officer; O. Lee Henry, president & chief operating officer; Marion D. Huggins, v.p.-small power transformers, Gerald R. Dyer, v.p.-components; Donald A. Fancher, v.p.-distribution transformers; Michael W. Gregg, v.p.-finance & chief financial officer; Harold C. Stone, v.p.-employee relations; G.S. Wooldridge, v.p.-sales; Raymond E. Fritz, secretary; Douglas W. Haag, treasurer.

Directors: Loren D. Barre*, O. Lee Henry*, Michael Allik, Duane L. Burnham, Richard L. Harrington, George T. Valaoras, John F. McKeon, Robert D. Musgjerd, Erwin E. Nemmers, Byron O. Pond*, Donald E. Ramlow*, Vinson R. Simpson.

* Member of the Executive Committee.

Areas of Work: The company is primarily a manufacturer of distribution and small power transformers and related equipment for the electric utility industry. Other products include capacitors and power supplies which are sold to manufacturers of consumer appliances, lighting products, telecommunications equipment, computers, word processors, electronics instrumentation and robotics. The company operates in two groups: The Electrical Equipment Group produces transformers, components (connectors, fuses, surge arresters, fault indicators) and insulating fluids which are sold to the utility, industrial and transformer markets. The Electronics Group's products include power supplies, capacitors, power line filters, uninterruptible power supplies, shaded pole motors and cooling fans. Markets include electronics manufacturers, consumer appliance manufacturers, industrial and international.

Divisions and Subsidiaries:

RTE Electrical Equipment Group

Distribution Transformer Division
Produces single phase pole and padmount transformers as well as padmount switchgear.

Small Power Division
Produces three phase padmount distribution and small power transformers. These transformers are sold to electric utilities, industrial firms and electrical contractors.

RTE Fluids Division

Manufactures and markets biodegradable and high-firepoint electrical insulating fluids used in transformers and circuit breakers.

RTE Components Division

Produces a variety of high voltage connectors, terminators, transformer components and fuses. These are sold to utilities, original equipment manufacturers and industrial customers worldwide.

RTE Far East
Taipai, Taiwan

Manufactures high voltage electrical components for the Far East market.

ARTEMA (50% owned)
Vrigne-aux-Bois, France

Manufactures electrical components for sale to the European Economic community and North Africa.

RTE Electronics Group

RTE Aerovox
New Bedford, Massachusetts; Amherst, Nova Scotia, Canada

Manufactures a variety of AC capacitors for industrial, commercial, consumer and research applications.

RTE Deltec
San Diego, California

Manufactures line conditioners and uninterruptible power systems, power regulators and isolation transformers.

RTE Power/Mate
Hackensack, New Jersey

Produces a broad line of power supplies serving the electronics field. These are used in computers, work processors, electronic instrumentation, telecommunications, robotics and medical equipment.

Transfer Agent(s):

First Wisconsin Trust Company
777 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Stock Exchange(s): New York

Ticker Symbol: RTE

Number of Employees:

1985	3,380	1982	2,508
1984	3,550	1981	2,727
1983	3,108		

Plant Footage:

1985 . . . . . . 1,709,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 332,680,000	$ 15,225,000
1984	350,373,000	13,020,000
1983	269,105,000	11,850,000
1982	224,941,000	5,364,000
1981	242,089,000	6,535,000

	No. of Com. Shares #	Earn. per Share #
1985	7,571,000	$ 2.01
1984	7,453,000	1.75
1983	7,109,000	1.67
1982	5,842,000	0.92
1981	5,785,000	1.13

Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.57	—	—
1984	0.515	—	—
1983	0.50	—	—
1982	0.425	—	—
1981	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 103,235,000	$ 13.49
1984	90,462,000	12.00
1983	80,049,000	10.79
1982	53,469,000	9.11
1981	50,708,000	8.71

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Revenues	$ 332,680	$ 350,373
Cost of sales	235,247	253,779
Expenses	66,225	67,137
Interest expense	3,942	4,794
Income before taxes	$ 27,266	$ 24,663
Income taxes	12,000	11,600
Eq. in loss of affil.	41	43
Net Income	$ 15,225	$ 13,020

* Included in Costs and Expenses, Depreciation: $6,526,000 in 1985 and $6,085,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash & temp. invest.	$ 24,265	$ 2,772
Accts. receiv.	38,841	49,097
*Inventories	40,071	50,790
Prepaid expenses	4,912	3,862
Current Assets	$ 108,089	$ 106,521
Other assets	3,834	4,070
#Fixed assets	54,711	55,094
Intangibles	892	1,232
Total Assets	$ 167,526	$ 166,917

Liabilities
(000's)

Long-term debt, curr.	$ 2,996	$ 3,052
Accts. payable	13,437	16,556
Compensation & rel. benefits	11,803	12,141
Other accruals	3,200	5,080
Dividends payable	1,148	1,056
Income taxes	—	1,832
Curr. Liabilities	$ 32,584	$ 39,717
Long-term debt	23,447	29,958
Deferred inc. taxes	8,260	6,780
+ Common stock	7,653	7,539
Add. paid-in capital	23,054	21,652
Retained earnings	73,218	62,319
Cum. trans. adjust.	(690)	(1,048)
Total Liabilities & Shareholders' Equity	$ 167,526	$ 166,917

* At lower of cost or market. Domestic at LIFO; foreign at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.20	7.04
%Net Income to Sales	4.58	3.72
%Net Income to Equity	14.75	14.39
Sales to Inventories	8.30	6.90
Debt to Equity	0.26	0.36
Working Capital	$ 75,505,000	$66,804,000
Current Ratio	3.32	2.68
Shareholders' Equity	$103,235,000	$90,462,000

Sage Laboratories, Inc.

3 Huron Drive
East Natick Industrial Park
Natick, Massachusetts 01760
(617) 653-0844

Officers: Theodore S. Saad, president & chairman of the board; Carl A. Marguerite, exec. v.p. & treasurer; Anthony Cieri, v.p.-sales; Harry Chapell, v.p.-engineering; Robert P. Moncreiff, clerk.

Directors: Theodore S. Saad, Robert Elliott, R. Willis Leith, Jr., Carl A. Marguerite, Edward M. Scheu, Jr., John E. Miller.

Areas of Work: Designs, develops and manufactures specialized components (both active and passive) and equipment used in the transmission, reception, and modification of microwave energy. Such components include regular and miniature mixers, filters, hybrids, couplers, attenuators and terminations.

Divisions:

Components Division
3 Huron Drive
Natick, Massachusetts 01760
(617) 653-0844

Transfer Agent(s):

State Street Bank & Trust Co.
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLAB (NASDAQ)

Number of Employees:

1985	41	1982	40
1984	38	1981	39
1983	38		

Plant Footage:

1985	13,000 sq. ft.	1982	13,000
1984	13,000	1981	13,000
1983	13,000		

Sales and Earnings

	Net Sales ‡	Net Income #
1985	$ 5,240,460	$ 806,803
1984	4,175,321	606,958
1983	3,816,453	538,834
1982	3,813,342	562,805
1981	3,107,948	405,494

	No. of Com. Shares	Earn. per Share + #
1985	456,621	$ 1.73
1984	455,021	1.33
1983	446,021	1.18
1982	435,565	1.26
1981	435,565	0.92

‡ Of continuing operations only; includes contract revenues.
# Including extraordinary credits of $14,000 ($0.03 per share) in 1981.
+ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 4,062,989	$ 8.90
1984	3,235,478	7.11
1983	2,809,166	6.30
1982	2,323,733	5.33
1981	1,804,484	4.14

Income Account *

Year ended June 30	1985	1984
Net sales & contract revenues	$ 5,240,460	$ 4,175,321
Cost of sales	2,504,149	2,150,970
Expenses	1,468,501	1,145,520
Oper. profit	$ 1,267,810	$ 878,831
Interest income	(162,331)	(159,760)
Dividend income	(107,381)	(44,236)
Interest expense	10,719	15,869
Income before taxes	$ 1,526,803	$ 1,066,958
Income taxes	720,000	460,000
Net Income	$ 806,803	$ 606,958

* Included in Costs and Expenses, Depreciation and Amortization: $231,495 in 1985 and $191,078 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 54,286	$ 32,703
Short-term investments	1,780,000	1,135,634

Sage Laboratories, Inc.

Accts. receiv., net	1,336,397	1,094,668
*Inventories	709,163	531,555
Prepaid expenses	8,367	6,281
Current Assets	$ 3,888,213	$ 2,800,841
#Fixed assets	476,721	492,411
Value of insurance	37,149	34,339
Prepaid inc. taxes	18,000	54,000
Catalog costs	10,800	58,151
Market. secur.	891,947	871,057
Total Assets	$ 5,322,830	$ 4,310,799

Liabilities

Accts. payable	$ 186,493	$ 154,561
Accruals	346,331	278,961
Accrued payroll	488,152	369,288
Commissions	130,619	99,625
Oblig. under capital lease, curr.	32,503	54,547
Curr. Liabilities	$ 1,184,098	$ 966,982
Long-term debt	75,743	108,339
+ Common stock	465,396	463,796
Add. paid-in capital	824,306	817,994
Retained earnings	2,938,425	2,199,875
Valuaton allow. on secur.	(107,240)	(128,130)
Treasury stock	(27,819)	(27,819)
Deferred comp.	(30,079)	(90,238)
Total Liabilities & Shareholders' Equity	$ 5,322,830	$ 4,310,799

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income before Taxes to Sales & Rev.	29.13	25.55
%Net Income to Sales & Rev.	15.40	14.54
%Net Income to Equity	19.86	18.76
Debt to Equity	0.03	0.05
Working Capital	$2,704,115	$1,833,859
Current Ratio	3.28	2.90
Shareholders' Equity	$4,062,989	$3,235,478

San/Bar Corporation

9999 Muirlands Parkway
Irvine, California 92718
(714) 855-9911

Officers: Barry K. Hallamore, chairman of the board & chief executive officer; Robert D. Johnson, president & chief operating officer; John H. Piel, group v.p. & gen. mgr.-Texas; Ray Schuessler, George Merritt, Merlyn Davies, v.p.'s; Harold W. Anderson, secretary, treasurer & chief financial officer; Lloyd G. Hallamore, dir.-corp. development & asst. secretary.

Directors: Barry K. Hallamore, chairman; Robert D. Johnson, Lloyd G. Hallamore, Larry Velie, Robert L. Purcell.

Areas of Work: Develops, manufactures, markets and services systems and products for the telephone industry, including carrier systems, remote disconnect systems, ring transfer message waiting units, etc. Also produces a penetrating lubricant for weapon cleaning which is primarily sold to the Army.

Divisions:

Business Telephone Systems
2413 Shiloh Road
Garland, Texas 75040

Transmission Systems Division

Break-Free/CLP Division

Telephone Service Center
2405 Shiloh Road
Garland, Texas 75040
Wiesbaden, West Germany

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SBAR (NASDAQ)

Number of Employees:

1985	200	1983	380
1984	N.A.		

Plant Footage:

1985	117,000 sq. ft.	1983	55,000
1984	N.A.		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 15,315,855	$ 5,493,181
1984	26,313,545	423,871
1983	23,686,875	(859,401)
1982	24,872,815	1,331,697
1981	19,866,648	689,374

	No. of Com. Shares +	Earn. per Share + ‡
1985	2,049,807	$ 2.68
1984	2,002,757	0.21
1983	1,399,332	—
1982	1,855,105	0.72
1981	1,399,332	0.49

(Loss)
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
‡ Including extraordinary gain of $8,902,588 ($4.34 per share) in 1985.

Revenues By Line of Business
(000's)

	1985	1984
Bus. telephone syst.	$ 8,078,774	$ 14,439,412
Transmission systems	2,603,466	3,691,081
Tele. serv. ctr.	1,044,870	2,877,075
Break-Free	3,588,745	5,305,977
Total	$ 15,315,855	$ 26,313,545

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.05	—	—
1984	—	—	—
1983	0.05	—	—
1982	0.08	—	3-for-2
1981	0.03	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 14,658,602	$ 7.15
1984	9,097,930	4.54
1983	8,634,077	6.17
1982	9,511,015	5.13
1981	3,437,018	2.46

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 15,315,855	$ 26,313,545
Other income	2,541,618	768,457
Total income	$ 17,857,473	$ 27,082,002
Cost of sales	16,639,534	19,059,143
Expenses	6,639,391	6,549,610
Interest expense	728,955	814,378
Inc. (loss) bef. taxes	$ (6,150,407)	$ 658,871
Income taxes (credit)	(2,741,000)	235,000
Net Income (Loss)	$ (3,409,407)	$ 423,871
Extraord. gain	8,902,588	—
Net Income & extraord. gain	$ 5,493,181	$ 423,871

* Included in Costs and Expenses, Depreciation and Amortization: $641,291 in 1985 and $591,376 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 390,222	$ 405,051
Accts. receiv., net	2,299,289	6,601,647
Receiv. from lawsuit settlement	14,759,246	—
*Inventories	7,771,658	8,415,291
Prepaid expenses	218,021	216,966
Refund. inc. taxes	1,522,063	—
Current Assets	$ 26,960,499	$ 15,638,955
#Fixed assets	3,161,595	3,440,430
Other assets	248,313	279,823
Total Assets	$ 30,370,407	$ 19,359,208

Liabilities

Notes payable	$ 5,250,000	$ 3,900,000
Long-term debt, curr.	34,406	99,936
Accts. payable	1,374,342	3,409,531
Accruals	562,804	500,672
Accrued compen.	240,819	219,187
Income taxes	—	86,614
Deferred inc. taxes	6,421,880	—
Curr. Liabilities	$ 13,884,251	$ 8,215,940
Long-term debt	1,663,007	1,700,735
Deferred inc. taxes	164,547	98,176
Other liab.	—	246,427
+ Common stock	6,505,623	6,324,153
Retained earnings	8,648,324	3,257,475
Restricted stock plan exp.	(495,345)	(483,698)
Total Liabilities & Shareholders' Equity	$ 30,370,407	$ 19,359,208

* At lower of cost (FIFO) or market (net realizable value).
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	2.50
%Net Income to Sales	—	1.61
%Net Income to Equity	—	4.66
Sales to Inventories	1.97	3.13
Debt to Equity	0.47	0.63
Working Capital	$13,076,248	$7,423,015
Current Ratio	1.94	1.70
Shareholders' Equity	$14,658,602	$9,097,930

Sanders Associates, Inc.

Daniel Webster Highway South
Nashua, New Hampshire 03061
(603) 885-4321

Officers: Jack L. Bowers, chairman & chief executive officer; Albert B. Wight, president & chief operating officer; William P. Conlin, senior v.p. & president-CalComp Group; James P. Woolnough, senior v.p. & president-Federal Systems Group; Jay M. Farrar, senior v.p. & president-Component Products Group; Joseph A. Scopelliti, senior v.p.-finance; John F. Egan, v.p.-corporate development; James F. Gallagher, v.p. & controller; Charles H.S. Howe, v.p., general counsel & secretary; Martin R. Richmond, v.p.-technical staff; John A. Ruggiero, v.p. & treasurer; Robert T. Smith, v.p-International Systems Division; Charles A. Glenday, v.p.-public affairs; Roger W. Brown, v.p.-industrial relations; Henry Brodie, v.p.-corporate computer and Information Sciences Center; James P. Marion, v.p.-procurement; Robert C. Potter, v.p.-corporate staff.

Directors: Jack L. Bowers, chairman; Martin R. Richmond, Harold W. Pope, John R. Deane, Jr., L.C. Whitney, Henry F. Argento, Harry G. Bowles, Albert B. Wight, Russell D.

→

O'Neal, Dean W. Freed, Harold A.B. McInnes, John W.R. Pope, Jr., David S. Potter.

Areas of Work: Engaged in research, development, engineering, and manufacturing programs relating to advanced technology electronic and electromechanical systems and products.

Federal Systems Group produces electronic countermeasure systems, antisubmarine warfare systems, electro-optics, radars, radio direction finding equipment, signal acquisition and analysis, military communications and classified programs or products for the armed services and other U.S. agencies under contract.

Component Products Group makes graphic displays and custom terminals, microwave components and devices, printed circuitry, valves and other specialized items, for use by Federal Systems Group and outside customers.

The CalComp Group is engaged in the design and production of computer graphic systems including plotting equipment and related software.

Divisions:

Federal Systems Group
Sanders Associates, Inc.
95 Canal Street
Nashua, New Hampshire 03060
(603) 885-3633

Countermeasures Division

Surveillance Systems Division

Defense and Information Systems Division

Component Products Group
Sanders Associates, Inc.
Grenier Field
Manchester, New Hampshire 03103
(603) 669-4615

Microwave Division

Flexprint Division

CalComp Group
2411 West La Palma Avenue
Anaheim, California 92801
(714) 821-2011

Subsidiaries:

Sanders Leasing Corporation
Daniel Webster Highway South
Nashua, New Hampshire 03060
(603) 885-3610

Sanders Leasing Limited
Bury Mead Road
Hitchin Herts, England

Airport Realty Corporation
High Point Realty Corporation
H-Tension Realty Corporation
Industrial Realty Corporation
Space Realty Corporation

All at:

Daniel Webster Highway South
Nashua, New Hampshire 03060
(603) 885-2236

CalComp Digitizer Products Division
Scottsdale, Arizona
Leading supplier of digitizers which are used to convert graphic information such as drawings and maps into digital data that can be processed by a computer.

CalComp S.A.
43 rue de la Breche-Aux-Loups
75 Paris (12e) France

CalComp GmbH
Werfstrasse 37
4000 Dusseldorf 11
West Germany

CalComp B.V.
Maalderij 21
1185 ZR Amstelveen
The Netherlands

CalComp Limited
Cory House
The Ring
Bracknell, Berks RG12 1ER
England

Nippon CalComp U.K.
Azabu Building
3-5-27 Roppongi
Minato-ku, Tokyo 106, Japan

CalComp Canada
401 Champagne Drive
Downsview, Ontario
M3J 2CB Canada

CalComp S.p.A.
Palazzo F1
20994 Milanofiori Assago
Italy

Acquisition(s):

Image Resource Corporation
Westlake Village, California
Produces high-reslution color graphic systems which create 35 mm slides from IBM personal computers and some mainframes.

Architectural, Engineering & Construction (AEC) Division of Personal CAD Systems, Inc.
Los Gatos, California
Supplies AEC computer-aided design software for use on personal computers.

Terak Corporation
Scottsdale, Arizona
Produces advanced 32-bit color graphics displays and engineering workstations.

Sanders Canada, Inc.
Suite 601, 151 Slater Street
Ottawa, Ontario
Canada K1P 5H3

Transfer Agent(s):

Harris Trust Company (common stock)
110 William Street
New York, New York 10038

Bank of America National Trust and Savings Association (4% Debentures)
Corp. Agency Division
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): New York

Ticker Symbol: SAA

Number of Employees:

1985	11,413	1982	7,713
1984	10,793	1981	7,098
1983	9,254		

Plant Footage:

1985	3,928,000 sq. ft.	1982	2,406,000
1984	3,771,000	1981	2,097,000
1983	3,620,000		

Sales and Earnings

	Net Sales	Net Income #
1985	$ 885,790,000	$ 37,116,000
1984	746,138,000	43,296,000
1983	578,128,000	37,046,000
1982	436,224,000	26,415,000
1981*	364,483,000	21,873,000

	No. of Com. Shares +	Earn. per Share ‡‡#
1985	19,420,000	$ 1.92
1984	19,140,000	2.25
1983	18,872,000	2.04
1982	15,928,000	1.65
1981*	15,782,000	1.38

* 53 weeks.
+ Adjusted to reflect stock split.
‡‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
# Including extraordinary loss of $5,735,000 ($0.30 per share) in 1984.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.56	—	—
1984	0.44	—	2-for-1
1983	0.36	—	—
1982	0.32	—	—
1981	0.29	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 350,835,000	$ 18.07
1984	317,374,000	16.58
1983	281,006,000	14.89
1982	174,810,000	10.98
1981	150,938,000	9.56

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended	7/26/85	7/27/84
Net sales	$ 885,790	$ 746,138
Cost of sales	721,744	581,079
Expenses	106,008	94,676
Interest income	(6,020)	(12,521)
Interest expense	2,092	—
Other expenses	2,101	1,840
Income before taxes	$ 59,865	$ 81,064
Income taxes	22,749	32,033
Net Income	$ 37,116	$ 49,031
Extraord. loss	—	(5,735)
Net Income & Extraord. loss	$ 37,116	$ 43,296

* Included in Costs and Expenses, Depreciation and Amortizaton: $31,168,000 in 1985 and $23,604,000 in 1984.

Assets
(000's)

As of	7/26/85	7/27/84
Cash & investments	$ 54,848	$ 65,715
Accts. receiv., net	134,904	119,065
*Inventories	187,985	142,125
Other curr. assets	5,758	5,010
Current Assets	$ 383,495	$ 331,915
#Fixed assets	200,580	174,900
Other assets	8,470	2,341
Intangibles	25,071	17,237
Total Assets	$ 617,616	$ 526,393

Liabilities
(000's)

Notes payable	$ 34,750	$ —
Long-term debt, curr.	3,770	3,640
Accts. payable	42,204	45,063
Advances	21,791	24,428
Accruals	44,033	43,729
Accrued & deferred income taxes	76,897	47,649
Curr. Liabilities	$ 223,445	$ 164,509
Deferred income taxes	24,640	24,679
Long-term debt	18,696	19,831
+ Common stock	19,420	19,140
Add. paid-in capital	162,293	153,966
Retained earnings	174,017	147,669
Treasury stock	(4,781)	(3,401)
For. exch. trans.	(114)	—
Total Liabilities & Shareholders' Equity	$ 617,616	$ 526,393

* At lower of cost (average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.76	10.86
%Net Income to Sales	4.19	6.57
%Net Income to Equity	10.58	15.45
Sales to Inventories	4.71	5.25

Debt to Equity	0.16	0.07
Working Capital	$160,050,000	$167,406,000
Current Ratio	1.72	2.02
Shareholders' Equity	$350,835,000	$317,374,000

Sargent-Welch Scientific Company

7300 North Linder Avenue
Skokie, Illinois 60077
(312) 677-0600

Officers: Thomas M. Mints, Jr., chairman of the board, president & chief executive officer; D. Jeffrey Baddeley, v.p., secretary & general counsel; Edward F. Ewen, Clark L. Schmitz, Ronald M. Rodeo, Robert L. Bieser, George Bienenstock, v.p.'s; Gerald J. Sweas, v.p.-finance & treasurer; Gerald W. Klopp, controller.

Directors: Thomas M. Mints, Jr.*, Kenneth A. Bro*, T. Mackin Sexton, Robert R. Snediker, William B. Weiss*, D. Jeffrey Baddeley, William E. Bendix, Andrew J. McKenna, Frederic V. Malek.

* Member of the Executive Committee.

Areas of Work: Produces or distributes different scientific items for the educational and industrial markets including high vacuum mechanical pumps, turbo pumps and other vacuum products, chemical analysis meters, interferometers, Polarograph® products, recording titrators, spectrophotometers, potentiometric recorders, and pH measuring equipment. Distributes glassware, analytical balances, water stills and chemicals.

Subsidiaries:

SWS International Limited
Delaware

SWS, Inc.
Delaware

Sargent Welch Scientific of Canada, Limited
Weston, Ontario

Transfer Agent(s):

The First National Bank of Chicago
Chicago, Illinois

Stock Exchange(s): New York, Midwest

Ticker Symbol: SWS

Number of Employees:

1985	750	1982	700
1984	775	1981	930
1983	750		

Plant Footage:

1985	485,000 sq. ft.	1982	674,925
1984	485,000	1981	511,000
1983	661,800		

Sales and Earnings

	Net Sales	Net Income
1985	$ 82,212,000	$ 5,624,000
1984	78,362,000	4,872,000
1983	72,569,000	3,955,000
1982	77,984,000	4,022,000
1981	81,605,000	8,667,000

	No. of Com. Shares	Earn. per Share †
1985	2,345,804	$ 2.40
1984	2,342,054	2.08
1983	2,342,054	1.69
1982	2,336,554	1.72
1981	2,334,554	3.72

† Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.42	—	—
1984	1.34	—	—
1983	1.23	—	—
1982	1.20	—	—
1981	1.62	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 60,335,000	$ 25.72
1984	58,067,000	24.79
1983	56,471,000	24.13
1982	55,286,000	23.66
1981	54,168,000	23.20

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 82,212,000	$ 78,362,000
Other income	2,498,000	2,751,000
Total Income	$ 84,710,000	$ 81,113,000
Cost of sales	53,483,000	52,327,000
Expenses	20,901,000	19,994,000
Income before taxes	$ 10,326,000	$ 8,792,000
Income taxes	4,702,000	3,920,000
Net Income	$ 5,624,000	$ 4,872,000

* Included in Costs and Expenses, Depreciation and Amortization: $860,000 in 1985 and $866,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 1,236,000	$ 1,001,000
Marketable securities	30,736,000	29,159,000
Accts. receiv., net	11,681,000	12,818,000
*Inventories	16,144,000	14,553,000
Other assets	1,078,000	880,000
Current Assets	$ 60,875,000	$ 58,411,000
#Fixed asset	7,377,000	7,648,000
Total Assets	$ 68,252,000	$ 66,059,000

Liabilities

Accts. payable	$ 2,832,000	$ 3,853,000
Accruals	3,402,000	2,839,000
Income taxes	941,000	697,000
Curr. Liabilities	$ 7,175,000	$ 7,389,000
Deferred inc. taxes	742,000	603,000
+ Common stock	2,500,000	2,500,000
Add. paid-in capital	5,096,000	5,032,000
Retained earnings	54,845,000	52,550,000
Cum. trans. adj.	(431,000)	(299,000)
Treasury stock	(1,675,000)	(1,716,000)
Total Liabilities & Shareholders' Equity	$ 68,252,000	$ 66,059,000

* At lower of cost (LIFO for domestic inventories, FIFO for foreign) or market.
# Less accumulated depreciation and amortization.
\+ $1 par value

Statistical Summary

% Income bef. Taxes to Sales	12.56	11.22
% Net Income to Sales	6.84	6.22
% Net Income to Equity	9.32	8.39
Sales to Inventories	5.09	5.38
Working Capital	$53,700,000	$51,022,000
Current Ratio	8.48	7.91
Shareholders' Equity	$60,335,000	$58,067,000

Saxton Products, Inc.

215 North Route 303
Congers, New York 10920
(914) 268-6846

Officers: Edward Abbo, chairman of the board & chief executive officer; Arthur Abbo, president; Allan Byer, v.p.-finance; Richard Baughman, controller.

Directors: Edward Abbo, chairman; Arthur Abbo, Fred Ehrman, Allan Byer, Jules Lennard, Max Steinberg.

Areas of Work: Designs, manufactures and sells insulated wire and cable for computers, POS data and video applications, security and alarm cables, and satellites. Also sells audio, electronic and TV accessories.

Transfer Agent(s):

Continental Stock Transfer & Trust Corp.
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SXNP (NASDAQ)

Number of Employees:

1984	130	1982	138
1983	131	1981	139

Plant Footage:

1984	90,500 sq. ft.	1982	70,500
1983	70,500	1981	60,800

Sales and Earnings

	Net Sales +	Net Income †
1984	$ 9,188,082	$ 214,619
1983	8,111,985	(419,816)
1982	8,812,158	(135,575)
1981	7,535,100	13,243
1980	5,775,900	(1,596,266)

	No. of Com. Shares	Earn. per Share ‡†
1984	433,249	$ 0.50
1983	433,249	—
1982	433,249	—
1981	433,249	—
1980	433,249	—

(Loss)
\+ Of continuing operations only.
† Including extraordinary gains of $80,775 ($0.19 per share) in 1984 and $3,100 ($0.01 per share) in 1981.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 2,357,416	$ 5.44
1983	2,142,797	4.95
1982	2,562,600	5.91
1981	2,698,188	6.23
1980	2,671,348	6.17

Income Account *

Year ended May 31	1984	1983
Net sales	$ 9,188,082	$ 8,111,985
Other income	119,155	19,028
Total income	$ 9,307,237	$ 8,131,013
Cost of sales	7,136,052	6,679,169
Expenses	1,922,996	1,955,371
Interest expense	186,897	
Income (loss) bef. taxes	$ 61,292	$ (717,690)
Income taxes (credit)	23,931	(116,772)
Inc. (loss)-cont. oper.	$ 37,361	$ (600,918)
Inc.-discont. oper.	96,483	181,102
Net Income (Loss)	$ 133,844	$ (419,816)
Extraord. gain	80,775	—
Net Income (Loss) & extraord. gain	$ 214,619	$ (419,816)

* Included in Costs and Expenses, Depreciation and Amortization: $140,408 in 1984 and $158,736 in 1983.

Assets

As of May 31	1984	1983
Cash	$ 26,855	$ 39,656
Accts. receiv., net	1,356,613	1,318,108

*Inventories	2,828,725	2,918,092
Prepaid & other assets	200,328	132,311
Current Assets	$ 4,412,521	$ 4,408,167
#Fixed assets	968,728	894,449
Other assets	145,403	141,122
Total Assets	$ 5,526,652	$ 5,443,738

Liabilities

Notes payable	$ 1,171,710	$ 945,267
Long-term debt	58,869	49,785
Accts. payable	1,276,969	1,737,107
Due to officers	224,295	137,753
Accruals	302,684	316,617
Curr. Liabilities	$ 3,034,527	$ 3,186,529
Long-term debt	134,709	114,412
+ Common stock	433,249	433,249
Add. paid-in capital	1,400,129	1,400,129
Retained earnings	524,038	309,419
Total Liabilities	$ 5,526,652	$ 5,443,738

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	9.10	—
Sales to Inventories	3.25	2.78
Working Capital	$1,377,994	$1,221,638
Current Ratio	1.45	1.38
Shareholders' Equity	$2,357,416	$2,142,797

Scan-Optics, Inc.

22 Prestige Park Circle
East Hartford, Connecticut 06108
(203) 289-6001

Officers: Jean M. Belhumeur, Jr., chairman of the board & president; Clarence W. Rife, sr. v.p.-customer service; Ronald E. Gocht, sr. v.p.-engineering; J. Gregory Horgan v.p.-marketing; Charles J. Longworth, v.p.-sales; William H. Cuddy, secretary; John H. Aucoin, v.p. & controller; John V. Woods, gen. mgr.-Scan-Optics Ltd.; Carolyn M. Skahill, treasurer.

Directors: Jean M. Belhumeur, Jr., Logan Clarke, Jr., Robert H. Steele, Richard J. Coburn, Lyman C. Hamilton, Jr.

Areas of Work: Engaged in the development, manufacture and marketing of data entry systems using optical character recognition and image processing technologies. The Company either sells this data entry equipment directly to customers or leases it through its wholly owned subsidiary, World Wide Systems Corporation. The Company also furnishes maintenance and engineering support service to its customers as well as software and systems analysis service.

Subsidiaries:

World-Wide Systems Corporation
22 Prestige Park
East Hartford, Connecticut 06108

Scan-Optics Limited
36 Sunbury Cross Centre
Sunbury, Middlesex, England TW16 7AZ

Scan Optics (Canada) Ltd.
7100 Woodbine Avenue
Suite 213
Markham, Ontario L3R 5J2
Canada

Transfer Agent(s):

The Connecticut Bank & Trust Co., N.A.
One Constitution Plaza - X04B
Hartford, Connecticut 06115

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOCR(NASDAQ)

Number of Employees:

1985	377	1982	321
1984	354	1981	279
1983	336		

Plant Footage:

1985	64,000 sq. ft.	1982	45,200
1984	59,000	1981	39,200
1983	59,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 18,249,612	$ 3,861,787
1984	15,663,372	4,388,614
1983	17,758,093	3,844,616
1982	13,387,289	2,831,113
1981	10,839,806	2,111,067

	No. of Com. Shares +	Earn. per Share ‡ +
1985	6,147,228	$ 0.63
1984	6,129,465	0.72
1983	6,101,115	0.63
1982	5,374,632	0.53
1981	5,186,465	0.41

‡ Including extraordinary gains of $218,690 (0.04 per share) in 1983 and $365,000 ($0.07 per share) in 1981.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 32,157,012	$ 5.23
1984	28,068,093	4.58
1983	23,634,410	3.87
1982	15,511,541	2.89
1981	12,501,377	2.41

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended Dec. 31	1985	1984
Net sales	$ 18,249,612	$ 15,663,372
Lease & service rev.	11,862,445	11,603,698
Total income	$ 30,112,057	$ 27,267,070
Cost of sales	10,041,723	7,977,247
Expenses	13,072,966	11,882,116
Depreciation	99,421	108,264
Interest income	(390,409)	(553,775)
Interest expense	59,200	233,984
Other expense (income)	(174,132)	9,180
Income before taxes	$ 7,403,288	$ 7,610,054
Income taxes	3,541,501	3,221,440
Net Income	$ 3,861,787	$ 4,388,614

Assets

As of Dec. 31	1985	1984
Cash	$ 344,464	$ 322,458
Certificate of deposit	5,235,072	4,300,000
Accounts receiv.	1,051,769	—
Accts. receiv., net	10,876,007	7,244,492
Receiv.-sales-type leases	5,058,692	4,933,736
*Inventories	9,184,077	10,512,119
Prepaid expenses	132,431	133,890
Current Assets	$ 31,882,512	$ 27,446,695
Equip. leased to customers	379,706	334,671
#Fixed assets	3,925,164	3,340,307
Def. financing costs	179,474	110,008
Invest. in sales-type leases	4,836,852	5,611,197
Total Assets	$ 41,203,708	$ 36,842,878

Liabilities

Accts. payable	$ 949,286	$ 1,734,931
Accruals	373,391	406,047
Accrued taxes on income	1,653,341	1,289,292
Accrued payroll	861,415	777,504
Misc. taxes	791,848	438,246
Cust. deposits	72,172	126,380
Def. inc. taxes	1,726,350	1,792,233
Curr. Liabilities	$ 6,427,803	$ 6,564,633
Deferred inc. taxes	101,356	—
Stockholder's equity	2,517,537	2,210,152
+ Common stock	116,601	115,817
Add. paid-in capital	28,681,457	28,496,821
Curr. trans. adj.	128,299	86,587
Retained earnings (deficit)	3,230,655	(631,132)
Total Liabilities & Shareholders' Equity	$ 41,203,708	$ 36,842,878

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.02 par value.

Statistical Summary

%Income bef. Taxes to Sales	40.57	48.59
%Net Income to Sales	21.16	28.02
%Net Income to Equity	12.01	15.64
Sales to Inventories	1.99	1.49
Working Capital	$25,454,709	$20,882,062
Current Ratio	4.96	4.18
Shareholders' Equity	$32,157,012	$28,068,093

Schaak Electronics, Inc.

1415 Mendota Heights Road
St. Paul, Minnesota 55120
(612) 454-6830

Officers: R.L. Schaak, chairman of the board & chief executive officer; Paul R. Ginther, president; Towru Nagano, v.p.-corporate development; Bruce E. Yoder, asst. secretary & asst. controller; Oleh Artym, v.p.; Joseph D. Osowski, v.p.-merchandising; Loren L. Berg, v.p.-retail operations; Robert P. Ziomek, sr. v.p.-finance; Joseph D. Osowski, v.p.-merchandising; James A. Coryea, II, controller; Thomas J. Campbell, secretary.

Directors: R.L. Schaak*, chairman; Paul R. Ginther, Galen M. Cadle*, Thomas Schreier*, Michael Scott*, Lawrence J.W. Castriotta.

* Member of the Executive Committee.

Areas of Work: Primarily a retailer of personal computers and high fidelity sound equipment, serving its customers through 54 company owned retail sales centers. In addition, the company wholesales high fidelity equipment to smaller dealers and manufactures a line of high fidelity speakers.

Subsidiary:

Federal Equity & Acceptance
Corporation (unconsolidated)
St. Paul, Minnesota

Transfer Agent(s):

American National Bank and Trust Company
St. Paul, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHAA (NASDAQ)

Number of Employees:

1984	600	1981	525
1983	591	1980	501
1982	519		

Sales and Earnings

	Net Sales	Net Income
1984	$ 79,778,000	$ (327,000)
1983	65,273,000	(918,000)
1982	58,027,000	686,000
1981	49,303,000	621,000
1980	45,556,474	1,457,035

	No. of Com. Shares #	Earn. per Share #
1984	1,682,000	$ —
1983	1,679,000	—
1982	1,615,000	0.42
1981	1,454,000	0.43
1980	1,302,738	1.12

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 9,977,000	$ 5.93
1983	10,290,000	6.13
1982	10,890,000	6.74
1981	10,119,000	6.96
1980	6,820,000	5.24

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended May 31	1984	1983
Net sales	$ 79,778,000	$ 65,273,000
Cost of sales	54,522,000	46,076,000
Expenses	25,448,000	20,312,000
Interest expense	914,000	755,000
Eq. in income of subsid.	(291,000)	(50,000)
Loss bef. taxes	$ (815,000)	$ (1,820,000)
Tax credit	(488,000)	(902,000)
Net Loss	$ (327,000)	$ (918,000)

* Included in Costs and Expenses. Depreciation: $1,106,000 in 1984 and $995,000 in 1983.

Assets

As of May 31	1984	1983
Cash	$ 391,000	$ 761,000
Accts. receiv., net	2,069,000	1,794,000
Adv. to fin. subsid.	156,000	18,000
*Inventories	19,436,000	17,589,000
Inc. taxes receiv.	—	998,000
Prepaid expenses & other assets	153,000	211,000
Current Assets	$ 22,205,000	$ 21,371,000
Invest. in fin. subsid.	1,391,000	400,000
Long-term receivable	—	174,000
#Fixed assets	5,809,000	5,219,000
Total Assets	$ 29,405,000	$ 27,164,000

Liabilities

Long-term debt, curr.	$ 580,000	$ —
Accts. payable	8,017,000	8,533,000
Accrued payroll	749,000	466,000
Other liabilities	860,000	858,000
Curr. Liabilities	$ 10,206,000	$ 9,857,000
Long-term debt	8,820,000	6,100,000
Deferred inc. taxes	402,000	917,000
+ Common stock	168,000	168,000
Add. paid-in capital	4,569,000	4,555,000
Retained earnings	5,240,000	5,567,000
Total Liabilities & Shareholders' Equity	$ 29,405,000	$ 27,164,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

Sales to Inventories	4.10	3.71
Working Capital	$11,999,000	$11,514,000
Current Ratio	2.18	2.17
Shareholders' Equity	$ 9,977,000	$10,290,000

Schaevitz Engineering

U.S. Route 130 and Union Avenue
Pennsauken, New Jersey 08110
(609) 662-8000

Officers: Howard A. Schaevitz, chairman of the board & treasurer; LeRoy A. Bondy, president; Ernest D. Schmidt, v.p.; David Garippa, v.p.-finance; Frank R. Pisaro, v.p.-marketing; Stella A. Schaevitz, secretary.

Directors: Howard A. Schaevitz, chairman; LeRoy A. Bondy, John J. Hegar, Stella A. Schaevitz, Ruth J. Norwitz, Raimon L. Conlisk, Phyllis C. Howard, Brian J. Steel.

Areas of Work: Designs and manufactures electromechanical measurement and control instruments, including inclinometers and accelerometers for industrial applications.

Subsidiary:

Schaevitz-EM Limited

Transfer Agent(s):

Midlantic National Bank
Metro Park Plaza
Edison, New Jersey 08818

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985 450

Plant Footage:

1985 . . . . . . 80,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 23,638,946	$ 1,403,271
1984	22,552,221	413,735
1983	N.A.	304,723
1982	N.A.	603,702
1981	N.A.	1,024,008

	No. of Com. Shares	Earn. per Share #
1985	1,052,719	$ 1.33
1984	1,052,719	0.39
1983	1,052,719	0.29
1982	1,052,719	0.57
1981	1,052,719	0.97

* 53 weeks.
N.A. - Not Available.
+ Of continuing operations only.
.067 Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 8,499,534	$ 8.07
1984	6,814,177	6.47
1983	6,649,593	6.32
1982	6,257,994	5.94
1981	5,876,913	5.58

Income Account *

Year ended	12/28/85	12/29/84
Net sales	$ 23,638,946	$ 22,552,221
Cost of sales	12,074,225	11,452,392
Expenses	9,347,890	8,413,114
Other income	(388,209)	(383,548)
Interest expense	532,324	540,572
Other expense	11,624	28,311
Income before taxes	$ 2,061,092	$ 2,501,380
Income taxes	699,282	788,833
Minority interest	245,794	313,718
Inc. - cont. oper.	$ 1,116,016	$ 1,398,829
Inc. (loss) - discont. oper.	105,676	(985,094)
Gain on disposal	181,579	—
Net Income	$ 413,735	$ 304,723

* Included in Costs and Expenses, Depreciation and Amortization: $880,457 in 1985 and $861,472 in 1984.

Assets

	12/28/85	12/29/84
Cash	$ 639,166	$ 523,254
Accts. receiv., net	5,598,556	5,460,804
*Inventories	7,832,408	6,223,980
Inc. taxes receiv.	1,087,839	64,696
Other assets	370,899	441,771
Current Assets	$ 15,528,868	$ 12,714,505
Restricted cash	232,913	1,778,192
#Fixed assets	4,588,188	5,676,287
Other assets	179,249	418,214
Total Assets	$ 20,529,218	$ 20,587,198

Liabilities

Long-term debt, curr.	$ 561,811	$ 669,464
Notes payable	1,013,914	743,691
Accts. payable	1,548,643	1,788,434
Accruals	1,314,771	1,266,912
Income taxes	1,108,261	1,530,956
Curr. Liabilities	$ 5,547,400	$ 5,999,457
Long-term debt	4,661,762	6,259,403
Deferred taxes	370,499	443,033
Deferred comp.	364,002	324,041
Minority interest	1,086,021	747,087
+ Common stock	105,693	105,693
Add. paid-in capital	861,233	861,233
Retained earnings	7,638,966	6,235,695
Cum. trans. adjust.	(102,810)	(384,896)
Treasury stock	(3,548)	(3,548)
Total Liabilities & Shareholders' Equity	$ 20,529,218	$ 20,587,198

* At lower of cost (LIFO) or market; foreign inventories at FIFO.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	16.51	6.07
Sales to Inventories	3.02	3.62
Debt to Equity	0.73	1.13
Working Capital	$9,981,468	$6,715,048
Current Ratio	2.80	2.12
Shareholders' Equity	$8,499,534	$6,814,177

Schlumberger Limited

277 Park Avenue
New York, New York 10172
(212) 350-9400

42, rue Saint-Dominique
75007 Paris
France

Officers: Michel Vaillaud, chairman of the board & chief exec. officer, Arthur Lindenauer, exec. v.p. & chief financial officer; Michel Gouilloud, exec. v.p.; Roland Genin, chairman of the exec. committee; Roy R. Shourd, Jimmy G. Lee, Rene Mitieus, Donald W. Brooks, Ian Strecker, D. Euan Baird, exec. v.p.'s; Jean Dominique Percevault, Allen Klein, Andre Misk, v.p.'s; William W. Dunn, controller; David S. Browning, secretary & general counsel; Patrick J.B. Corser, treasurer; James A. Mackenzie, Andre Laloux, Thomas O. Rose, asst. secretaries.

Directors: Michel Vaillaud, chairman; Roland Genin*, George H. Jewell, Paul A. Lepercq*, Georges de Menil, Don E. Ackerman, Robert A. Charpie*, Bernard Hanon, Nichlas Seydoux, Richard R. Shinn, Jerome B. Wiesner*, Felix Rohatyn*, Pierre Marcel Schlumberger, Yoshihiko Morozuni.

* Member of the Executive Committee

Areas of Work: Provides measurement and control instruments and systems, computer-aided design, manufacturing and testing services, and electronic components for consumer, industrial and commercial applications. Also offers well-site and contract drilling services to the oil industry on a worldwide basis.

Divisions and Subsidiaries:

Measurement and Control

Fairchild-Weston
Data acquisition and recording, signal processing and electronic countermeasures systems; control equipment for nuclear power systems; miniature CCD cameras and high performance reconnaissance cameras.

Paymatec
Develops electronic payment devices.

Electricity Management Division
Electricity meters and equipment for electric power distribution, load, and rate management systems.

Instruments Division
Data recorders; electronic instrumentation for industrial, laboratory and aerospace application; data acquisition and telemetry systems and transducers.

Water and Gas Division
Water and gas meters and distribution systems.

Control, Valves & Technology Valves Division
Industrial process control equipment; petroleum, nuclear and industrial valves.

Oilfield Services

Wireline Services
Wireline service companies provide measurements of physical properties of underground formations which help locate and define oil and gas reservoirs and assist in completion, development and production phases of oil wells.

Wireline North America

Wireline Atlantic

Wireline Asia

Drilling Services

Sedco Forex
Drilling offshore and on land.

Anadrill
Well-site computer analysis of surface and downhole drilling and geological data; directional drilling services; drilling tool rentals.

Testing Services

Flopetrol Johnston
Services and tools for oil well completion, production and secondary recovery.

Seismic Services
Merlin
Marine seismic data acquisition and processing services.

Pumping Services

Dowell-Schlumberger (50% owned)
Cementing, acidizing, fracturing, formation testing and directional drilling services.

Schlumberger Cambridge Research
Research in drilling mechanics, wellbore physics, rock physics, fluid mechanics and mathematical modeling.

Fairchild Semiconductor

Digital
Digital logic including FAST FACT and low-power Schottky logic, and semicustom logic products.

Memory & High-Speed Logic
Static RAMS, PROMS, 100K ECL Logic, and programmable logic products.

Analog & Microprogessor
Power and small signal discrete, hybrids, linear, telecommunications, signal processing, and microprocessor products.

Computer Aided Systems

Sentry Systems
Computer-controlled systems for testing semiconductors.

Factron Systems
Computer-controlled systems for testing printed circuit board subassemblies.

Applicon Systems
Computer aided engineering, design and manufacturing CAE/CAD/CAM systems for electronic and mechanical design.

Benson
Computer-aided drafting products and peripherals for CAD/CAM.

Transfer Agent(s):

Morgan Guaranty Trust Co.
New York, New York

MBank Houston, N.A.
Houston, Texas

Stock Exchange(s): New York, Paris, London, Amsterdam, Geneva, Frankfurt

Ticker Symbol: SLB

Number of Employees:

1985	72,810	1982	75,330
1984	74,970	1981	84,550
1983	68,920		

Sales and Earnings

	Net Sales +	Net Income
1985	$6,557,087,000	$ 351,036,000
1984	6,370,442,000	1,182,073,000
1983	5,797,459,000	1,084,299,000
1982	6,283,810,000	1,348,165,000
1981	5,977,938,000	1,265,975,000

	No. of Com. Shares †	Earn. per Share †
1985	298,872,000	$ 1.17
1984	288,580,000	4.10
1983	290,933,000	3.73
1982	293,119,000	4.60
1981	289,486,000	4.37

+ Includes services and other income.
† Based on the average number of common shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Oilfield services	$ 3,966,000	$ 3,617,000
Measurement & control	2,153,000	2,362,000
Interest and other income	438,000	391,000
Total	$ 6,557,000	$ 6,370,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.20	—	—
1984	1.12	—	—
1983	1.00	—	—
1982	0.92	—	—
1981	0.77	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$6,877,308,000	$ 23.01
1984	6,992,202,000	24.23
1983	5,818,850,000	20.00
1982	5,226,444,000	17.83
1981	4,234,633,000	14.63

‡ Based on the average number of common shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales & services	$ 6,119,447	$ 5,978,552
Other income	437,640	391,890
Total income	$ 6,557,087	$ 6,370,442
Cost of sales & service	4,169,403	3,659,163
Expenses	1,074,586	985,950
Interest expense	218,697	153,436
Nonrecurring charges	477,433	—
Income before taxes	$ 616,968	$ 1,571,893
Income taxes	265,932	389,820
Net Income	$ 351,036	$ 1,182,073

* Included in Costs and Expenses, Depreciation and Amortization: $841,330,000 in 1985 and $735,276,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 41,339	$ 41,349
Investments	4,548,785	3,964,119
Receiv., net	1,272,968	1,215,143
*Inventories	699,961	689,748
Other assets	77,144	87,802
Current Assets	$ 6,640,197	$ 5,998,161
Investments & receiv	950,851	951,946
#Fixed assets	3,125,216	3,145,158
Exec. of invest. over net assets of subsid. purch.	534,319	760,756
Other assets	31,649	57,173
Total Assets	$ 11,282,232	$ 10,913,194

Liabilities
(000's)

Long-term debt, curr	$ 18,516	$ 27,884
Accts. payable & accruals	1,188,271	942,196
Bank loans	1,046,780	829,555
Dividends payable	89,357	86,597
Income taxes	948,409	890,894
Curr. Liabilities	$ 3,291,333	$ 2,777,126
Long-term debt	1,013,746	965,580
Other liabilities & reserves	81,486	159,806
Minority interest	18,458	18,480
+ Common stock	421,186	421,583
Retained earnings	6,900,894	6,908,246
Treasury stock	(310,528)	(127,472)
Trans. adjustment	(134,343)	(210,155)
Total Liabilities & Shareholders' Equity	$ 11,282,232	$ 10,913,194

* At lower of average or standard or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	10.08	26.29
%Net Income to Sales	5.74	19.77
%Net Income to Equity	5.10	16.91
Debt to Equity	0.15	0.14
Working Capital	$3,345,864,000	$3,221,035,000
Current Ratio	2.02	2.16
Shareholders' Equity	$6,877,209,000	$6,992,202,000

SCI Systems, Inc.

5000 Technology Drive
Huntsville, Alabama 35802
(205) 882-4800

SCI Systems, Inc.

Officers: Olin B. King, chairman of the board & chief exec. officer; A. Eugene Sapp, Jr., president & chief operating officer; Juan Sandoval, Ronald F. Borelli, Thomas O. Cook, G. Thomas Scott, sr. v.p's.; Charles H. Gunselman, Leonard L. Mitchum, Jr., Thomas H. Southerland, Jerry F. Thomas, Walter J. Conroy, P. Michael Dunn, Irwin O. Goldstein, Edmund F. Turek, v.p.'s; William J. Hebding, treasurer; Harvey D. Harkness, secretary and treasurer.

Directors: Olin B. King*, chairman; Elliott Goldstein*, Thomas H. Lenagh*, Howard H. Callaway, W.L. Halsey, Jr., Charles M. Reynolds, Jr., A. Eugene Sapp, Jr., G. Robert Tod, Judith T. Connor.

*Member of the Executive Committee.

Areas of Work: Company engaged in research, development and manufacture of data management systems, flight test systems, data bus products, computer memories, communications products, aircraft controls and displays, missile electronics, and mission support integration for the government and aerospace industry; supervisory control systems for automation of oil, gas and water distribution, petrochemical process control, building utility control, traffic control functions, gas liquification plants, coal to gas conversion plants and uranium enrichment plants; banking automation systems including a family of interactive terminals combined with distributed processors and application software; image processing using a computer to automaticaly process and analyze visual images in real time; currency handling products; telemetry transmitters and receivers used in cardiac monitoring systems; computer products; a family of advanced printers; injection molded plastics, expanded polystyrene plastics and thermosetting plastics; aluminum castings; and machined components.

Transfer Agent(s):

The First National Bank of Maryland
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCIS (NASDAQ)

Number of Employees:

1984	4,260	1981	2,080
1983	3,220	1980	1,619
1982	2,920		

Plant Footage:

1984	800,000 sq. ft.	1981	258,000
1983	565,000	1980	448,000
1982	518,000		

Sales and Earnings

	Net Sales	Net Income
1984	$ 437,351,400	$ 11,515,773
1983	182,499,400	6,570,476
1982	90,013,900	4,110,278
1981	59,382,600	3,100,752
1980	46,737,047	2,119,531

	No. of Com. Shares +	Earn. per Share †
1984	12,975,410	$ 0.91
1983	11,788,250	0.57
1982	11,388,756	0.37
1981	9,903,756	0.31
1980	9,906,507	0.21

+ Adjusted to reflect stock dividends and stock split.
† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1984	%	1983	%
Government programs	$ 50,194	12%	$ 44,626	24%
Commercial products	387,157	88	137,873	76
Total	$437,351	100%	$182,499	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	2-for-1
1983	—	50%	—
1982	—	—	—
1981	—	50%	—
1980	—	25%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1984	$ 77,211,107	$ 5.95
1983	44,135,846	3.74
1982	33,904,335	2.98
1981	21,186,811	2.14
1980	18,107,467	1.83

† Adjusted to reflect stock dividends and stock split.

Income Account *

Year ended June 30	1984	1983
Net sales	$ 437,351,400	$ 182,499,400
Other income	2,392,595	1,647,264
Total income	$ 439,743,995	$ 184,146,664
Cost of sales & exp	407,507,484	169,858,100
Interest expense	9,098,975	2,975,868
Other charges	2,807,059	236,220
Income before taxes	$ 20,330,477	$ 11,076,476
Income taxes	8,814,704	4,506,000
Net Income	$ 11,515,773	$ 6,570,476

* Included in Costs and Expenses, Depreciation and Amortization: $3,579,474 in 1984 and $2,117,176 in 1983.

Assets

As of June 30	1984	1983
Cash & cert. of deposit	$ 1,381,777	$ 21,091,283
Accts. receiv., net	48,545,199	16,221,120
Unreimbursed costs	531,671	403,847
*Inventories	158,488,653	66,650,976
Recov. inc. tax	—	496,933
Other current assets	372,561	514,166
Current Assets	$ 209,319,861	$ 105,378,325
#Fixed assets	33,495,563	15,783,040
Unexpended bond funds	51,262	2,230,684
Total Assets	$ 242,866,686	$ 123,392,049

Liabilities

Long-term debt, curr.	$ 905,000	$ 528,333
Accts. payable	65,352,182	21,937,389
Accrued payroll	4,637,065	4,475,799
Accruals	5,707,083	2,506,929
Income taxes	6,502,554	4,873,516
Curr. Liabilities	$ 83,203,884	$ 34,321,966
Long-term debt	78,141,040	40,169,237
Deferred inc. taxes	4,410,655	4,765,000
+ Common stock	1,297,541	1,178,825
Add. paid-in capital	43,792,901	22,352,129
Retained earnings	32,120,665	20,604,892
Total Liabilities & Shareholders' Equity	$ 242,866,686	$ 123,392,049

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.65	6.07
%Net Income to Sales	2.63	3.60
%Net Income to Equity	14.91	14.89
Sales to Inventories	2.76	2.74
Working Capital	$126,215,977	$71,056,359
Current Ratio	2.52	3.07
Shareholders' Equity	$ 77,211,107	$44,135,846

Scientific Industries, Inc.

Airport International Plaza
70 Orvilie Drive
Bohemia, N.Y. 11716
(516) 567-4700

Officers: Lowell A. Kleiman, president & treasurer; Charles N. Bellm, secretary; Cathy Zimlinghaus, v.p.-administration; Claire McAuliffe, asst. secretary & asst. treasurer.

Directors: Charles N. Belim, Joseph I. Kesselman, Lowell A. Kleiman, Roger B. Knowles, Arthur M. Bordon.

Areas of Work: Produces scientific instruments and apparatus for laboratory use. Products include liquid mixers, timers, peristaltic pumps, rotators and hospital supply sterilizers. Also cutomizes and remanufactures sterilizers and autoclaves for laboratories, pharmaceutical houses, and medical device manufacturers.

Transfer Agent(s):

Continental Stock Transfer & Trust Co.
New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCND (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 1,784,400	$ (221,000)
1984	1,620,900	(95,600)
1983	1,118,400	(321,600)
1982	1,672,400	(55,800)
1981	2,100,200	74,400

	No. of Com. Shares	Earn. per Share ‡
1985	754,232	$ —
1984	754,232	—
1983	749,232	—
1982	730,732	—
1981	696,499	0.10

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of of Business

	1985	1984	1983	1982
Laboratory equipment	60%	68%	73%	70%
Sterilizers, autoclaves and similar devices	40	32	27	30
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1992	—	5%	—
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 424,500	$ 0.55
1984	635,500	0.84
1983	726,700	0.97
1982	1,030,200	1.41
1981	1,087,600	1.56

Income Account *

Year ended June 30	1985	1984
Net sales	$ 1,784,400	$ 1,620,900
Cost of sales	1,335,500	1,102,700
Expenses	739,500	643,500
Interest income	(6,100)	(4,600)
Interest expense	3,300	—
Other income	(66,800)	(25,100)
Net Loss	$ (221,000)	$ (95,600)

* Included in Costs and Expenses, Depreciation and Amortization: $23,400 in 1985 and $24,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 58,100	$ 107,500
Accts. receiv., net	124,200	233,700
Costs in exc. of billings	25,600	—
*Inventories	483,600	397,100
Prepaid expenses	28,400	21,200
Current Assets	$ 719,900	$ 759,500
#Fixed assets	77,300	73,900
Other assets	23,600	21,200
Total Assets	$ 820,800	$ 854,600

Liabilities

	1985	1984
Bank rates	$ 50,000	$ —
Accts. payable	186,800	142,800
Accrued expenses	83,000	53,700
Billings in exc. of costs	80,100	—
Customer advances	6,400	22,600
Curr. Liabilities	$ 406,300	$ 219,100
+Common stock	38,700	38,700
Add. paid-in capital	797,500	797,500
Deficit	(369,300)	(148,300)
Treasury stock	(52,400)	(52,400)
Total Liabilities & Shareholders' Equity	$ 820,800	$ 854,600

* At lower of cost (FIFO) or replacement market.
# Less accumulated depreciation and amortization.
+ $0.05 par value.

Statistical Summary

	1985	1984
Sales to Inventories	3.69	4.08
Working Capital	$313,600	$540,400
Current Ratio	1.77	3.47
Shareholders' Equity	$414,500	$635,500

Scientific Radio Systems, Inc.

367 Orchard Street
Rochester, New York 14606
(716) 458-3733

Officers: Melvin S. Stiles, president; David W. Hoffman, v.p., treasurer & secretary; Neal Garman, v.p.-marketing.

Directors: Melvin S. Stiles, chairman; Harold F. Staudenmayer, David W. Hoffman, Richard Calabrese, William Echter, Elton Burgett.

Areas of Work: Designs, develops, manufactures and sells long range radio communications products such as linear amplifiers, antenna couplers, teletype terminals, voice privacy devices, high frequency single sideband transceivers and accessories. Also, VHF-FM and VHF-AM transmitters and receivers.

Transfer Agent(s):

Marine Midland Bank
Two Broadway
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	101	1982	159
1984	118	1981	171
1983	145		

Sales and Earnings

	Net Sales	Net Income
1985	$ 5,320,724	$ (769,072)
1984	4,456,628	(738,595)
1983	5,585,144	81,552
1982	7,634,946	254,578
1981	7,258,953	335,845

	No. of Com. Shares ‡	Earn. per Share †
1985	959,265	$ —
1984	984,133	—
1983	984,137	0.08
1982	984,138	0.26
1981	971,310	0.38

(Loss)
‡ Adjusted to reflect stock split.
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.04	—	—
1984	0.04	—	—
1983	0.04	—	—
1982	0.04	—	—
1981	0.04	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,238,000	$ 2.33
1984	3,001,000	3.22
1983	3,725,000	3.88
1982	3,681,000	3.82
1981	3,392,000	3.56

Income Account *

Year ended June 30	1985	1984
Net sales	$ 5,320,724	$ 4,456,628
Cost of sales	4,952,014	3,534,246
Expenses	1,444,509	2,116,871
Oper. loss	$ (1,075,799)	$ (1,194,489)
Interest expense	296,601	334,106
Loss before taxes	$ (1,372,400)	$ (1,528,595)
Tax credit	(603,328)	(790,000)
Net Loss	$ (769,072)	$ (738,595)

* Included in Costs and Expenses, Depreciation: $226,373 in 1985 and $181,041 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 108,254	$ 4,601
Accts. receiv., net	980,572	651,543
Cost in excess of amts. billed	57,330	635,241
*Inventories	4,158,260	5,613,975
Prepaid expenses	21,357	15,824
Current Assets	$ 5,325,773	$ 6,921,184
#Fixed assets	587,467	756,130
Other assets	134,155	186,533
Total Assets	$ 6,047,395	$ 7,863,847

Liabilities

	1985	1984
Credit loan	$ 2,900,000	$ 3,025,000
Long-term debt, curr.	50,462	45,571
Accts. payable	212,976	391,888
Accrued expenses	467,473	568,043
Curr. Liabilities	$ 3,630,911	$ 4,030,502
Long-term debt	178,645	229,106
Deferred income taxes	—	603,328
+Common stock	10,188	10,188
Add. paid-in capital	1,691,940	1,691,940
Retained earnings	640,777	1,409,849
Treasury stock	(59,868)	(28,462)
Receivable from sales of stock	(45,189)	(82,604)
Total Liabilities & Shareholders' Equity	$ 6,047,395	$ 7,863,847

* At lower of cost (weighted average) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1985	1984
Sales to Inventories	1.28	0.79
Debt to Equity	0.10	0.09
Working Capital	$1,694,862	$2,890,682
Current Ratio	1.47	1.72
Shareholders' Equity	$2,237,839	$3,000,911

Scientific-Atlanta, Inc.

One Technology Parkway
Box 105600
Atlanta, Georgia 30348
(404) 441-4000

Officers: Sidney Topol, chairman of the board & chief executive officer; John R. Levergood, president & chief operating officer; Harry Topliss, Jr., sr. v.p. & treasurer; Jules E. Kadish, Leo E. Ramsauer, Jr., Samuel D. Davis, James H. Hart, H. Raymond Eckman, H. Allen Ecker, Sezer M. Soylemez, William S. Brown, v.p.'s; David A. Eggers, v.p., secretary & general counsel; Julian W. Eidson, v.p. & controller; Peggy W. Jones, asst. secretary; Guy W. Beakley, v.p.-research & development; John R. Tekowitz, v.p.-human resources.

Directors: Glen P. Robinson, Jr., Wilbur B. King, Joseph M. Pettit, Sidney Topol, William B. Harrison, James V. Napier, Alenzo L. McDonald, Erwin Zaban, John H. Levergood, Wickham Skinner.

Areas of Work: Designs, manufactures and markets commercial electronic signal generating and receiving equipment consisting of a variety of standard and proprietary communications and instrumentation products. Communications products are used in satellite earth stations, cable television receiving and distribution systems, wireless home security systems and energy management systems. Communications products include antennas, receivers, transmitters and related electronic equipment. The Company's instrumentation products are used by a wide range of industrial and military customers to electronically test, measure and help control various equipment and processes. Instrumentation products consist of spectrum analyzers and systems, instruments to test and measure the quality and performance of various types of telecommunications equipment, antenna test and measurement products, and cabinets and enclosures. The Government Systems Group manufactures telemetry, electronic warfare, anti-submarine warfare and acoustic communications products and systems for the U.S. and foreign governments.

Subsidiaries:

Digital Video Systems Corp.
Toronto, Canada

Scientific-Atlanta GmbH
Munich, West Germany

Scientific-Atlanta Ltd.
Horton, Slough, England

Scientific-Atlanta (Canada), Ltd.
Mississauga, Ontario, Canada

Scientific-Atlanta S.A.
Montesson (Paris), France

Optima Enclosures, Ltd.
East Lothian, Great Britain

Scientific-Atlanta (Italy) S.p.A.
Rome, Italy

Systems Communications Cable Incorporated
Phoenix, Arizona
Manufactures coaxial cable.

Transfer Agent(s):

The Citizens & Southern National Bank
P.O. Box 105555
Atlanta, Georgia 30399

Stock Exchange(s): New York

Ticker Symbol: SFA

Number of Employees:

1985	N.A.	1982	4,951
1984	4,403	1981	5,223
1983	4,805		

Scientific-Atlanta, Inc.

Plant Footage:

1985	N.A.	1982	1,394,000
1984	1,467,000 sq. ft.	1981	1,469,000
1983	1,360,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 436,892,000	$ 16,385,000
1984	398,861,000	11,776,000
1983	326,567,000	370,000
1982	337,223,000	14,152,000
1981	277,292,000	19,005,000

	No. of Com. Shares †	Earn. per Share ‡‡
1985	24,086,072	$ 0.71
1984	24,086,073	0.50
1983	24,014,681	0.02
1982	23,405,641	0.63
1981	21,265,197	0.90

‡‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
† Adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.12	—	—
1984	0.12	—	—
1983	0.12	—	—
1982	0.115	—	—
1981	0.085	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 188,491,000	$ 7.83
1984	174,067,000	7.23
1983	177,278,000	7.38
1982	173,449,000	7.41
1981	109,767,000	5.16

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 436,892	$ 398,861
Cost of sales	312,356	290,870
Expenses	97,366	94,082
Other income	(2,423)	(2,992)
Interest expense	2,285	2,496
Income before taxes	$ 27,308	$ 14,405
Income taxes	10,923	2,629
Net Income	$ 16,385	$ 11,776

* Included in Costs and Expenses, Depreciation: $11,328,000 in 1985 and $10,120,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 4,585	$ 13,635
Receivables, net	110,256	89,376
*Inventories	94,786	86,472
Income taxes recov.	1,345	1,629
Current Assets	$ 210,972	$ 191,112
#Fixed assets	53,059	48,976
Other assets	17,376	18,662
Total Assets	$ 281,407	$ 258,750

Liabilities
(000's)

Short-term debt & long-term debt, curr.	$ 6,711	$ 4,795
Accts. payable	29,614	29,780
Accruals	24,733	24,533
Income taxes	6,651	1,965
Curr. Liabilities	$ 67,709	$ 61,073
Long-term debt	6,997	7,860
Deferred inc. taxes	16,749	12,104
Other liabilities	1,461	3,646
+ Common stock	12,043	12,043
Add. paid-in capital	112,136	112,050
Retained earnings	75,849	63,701
Treasury stock	(10,085)	(12,459)
Accum. trans. adjust.	(1,452)	(1,268)
Total Liabilities & Shareholders' Equity	$ 281,407.	$ 258,750

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.25	3.61
%Net Income to Sales	3.75	2.95
%Net Income to Equity	8.69	6.77
Sales to Inventories	4.61	4.61
Debt to Equity	0.07	0.07
Working Capital	$143,263,000	$130,039,000
Current Ratio	3.12	3.13
Shareholders' Equity	$188,491,000	$174,067,000

Scintrex Limited

222 Snidercroft Road
Concord, Ontario, Canada L4K 1B5
(416) 669-2280

Officers: Harold O. Seigel, president, Gerald Stork, sr. v.p.; Jon G. Baird, sr. v.p.; Anthony W. Howland-Rose, v.p.; Alfred J. Shaul, secretary.

Directors: Harold O. Seigel, Alfred J. Shaul, Gerald Stork, Jon G. Baird, Harold I. Schiff, J. Denis Whitaker, Anthony W. Howland-Rose, Marilyn M. Seigel, John Patrick Sheridan.

Areas of Work: Scintrex Limited is a diversified high technology company specializing in supplying geophysical/geochemical exploration equipment, technology and survey contracting services to the mining industry. Products include control and health physics instrumentation, atomic absorption spectrophotometers, high sensitivity magnetometers, and a wide range of analytical instruments.

Subsidiaries:

Scintrex Pty. Ltd.
1031 Wellington Street
West Perth, Australia 6005

6 Tramore Place
Killarney Heights
N.S.W., Australia 2087

Scintrex, Inc.
1973 West North Temple
Salt Lake City, Utah 84116
(801) 532-2447

Transfer Agent(s):

The Canada Trust Company

Stock Exchange(s): Toronto

Ticker Symbol: SCT

Number of Employees:

1985	220	1982	200
1984	215	1981	225
1983	200		

Plant Footage:

1985	72,000 sq. ft.	1982	46,000
1984	46,000	1981	46,000
1983	46,000		

Sales and Earnings

	Net Sales	Net Income
1986	$ 18,211,000	$ 1,342,000
1985	10,534,000	286,000
1984	9,622,692	505,754
1983	9,117,215	(111,857)
1982	14,811,585	1,003,090

	No. of Com. Shares ‡	Earn. per Share ‡
1986	1,095,569	$ 1.21
1985	1,082,165	0.25
1984	1,068,856	0.45
1983	1,048,807	—
1982	932,360	1.05

(Loss)
‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1986	$ 8,719,000	$ 7.96
1985	7,338,000	6.78
1984	7,130,059	6.67
1983	6,438,731	6.14
1982	6,579,411	7.06

‡ After allowing for preferred stock at par value.
† Based on the weighted average number of common shares outstanding.

Income Account

Year ended Jan. 31	1986	1985
Net sales	$ 18,211,000	$ 10,534,000
Cost of sales & expenses	15,594,000	8,638,000
Expenses	906,000	955,000
Depreciation & amortization	520,000	487,000
Interest expense	41,000	34,000
Profit from sale of invest.	(537,000)	—
Share of income of Unisearch	(87,000)	(2,000)
Income before taxes	$ 1,774,000	$ 422,000
Income taxes	432,000	136,000
Net Income	$ 1,342,000	$ 286,000

Assets

As of Jan. 31	1986	1985
Cash	$ 666,000	$ 2,254,000
Accts. receiv., net	2,468,000	1,906,000
*Inventories	4,446,000	3,508,000
Prepaid expenses	18,000	15,000
Income taxes recoverable	—	166,000
Current Assets	$ 7,598,000	$ 7,849,000
#Fixed assets	3,641,000	2,508,000
Other assets	699,000	376,000
Total Assets	$ 11,938,000	$ 10,733,000

Liabilities

Bank indebtedness	$ 642,000	$ 1,301,000
Accts. payable & accruals	1,975,000	1,473,000
Income taxes	63,000	103,000
Curr. Liabilities	$ 2,680,000	$ 2,877,000
Deferred inc. taxes	211,000	190,000
+ Preferred stock	327,000	327,000
+ + Common stock	3,154,000	3,048,000
Add paid-in capital	19,000	19,000
Retained earnings	5,608,000	4,396,000

For. exch. trans.	(7,000)	(73,000)
Treasury stock	(54,000)	(51,000)
Total Liabilities & Shareholders' Equity	$ 11,938,000	$ 10,733,000

* At lower of cost (FIFO) and net realizable value
# Less accumulated depreciation
+ $1 par value
+ + No par value

Statistical Summary

% Income bef. Taxes to Sales	9.74	3.99
% Net Income to Sales	7.37	2.72
% Net Income to Equity	14.83	3.73
Sales to Inventories	4.10	3.00
Debt to Equity	0.07	0.17
Working Capital	$4,918,000	$4,972,000
Current Ratio	2.84	2.73
Shareholders' Equity	$9,047,000	$7,666,000

SCM Corporation

(The Company was acquired by Hanson Trust PLC on March 31, 1986.)

299 Park Avenue
New York, New York 10171
(212) 888-5500

Officers: Paul H. Elicker, chairman & chief exec. officer; D. George Harris, president & chief operating officer; George E. Hall, sr. v.p.-adm.; G. Lee Thompson, v.p. & pres.-Consumer Products Div.; William V. Cawley, v.p. & treasurer; Herbert H. Egli, v.p.-finance; Richard Sexton, v.p., general counsel & secretary; Frank G. Hubbard, v.p.; John S. Dumble, v.p. and pres.-Glidden Coatings & Resins Div.; Ernest J. Klimczak, v.p. & pres.-Allied Paper, Inc.; Thomas DeFazio, v.p. & controller; James Balph, Victor E. Feuerherd, Gerard F. Stoddard, v.p.'s; Ron Bowen, v.p. & president-Durkee Foods.

Directors: Robert O. Bass*, John T. Booth, Paul H. Elicker*, George E. Hall, D. George Harris, E. Everett Smith, Robert P. Bauman, Crocker Nevin*, Charles W. Parry*, Thomas G. Pownall, David W. Wallace*, Richard R. West.

* Member of the Executive Committee.

Areas of Work: Manufactures products which are sold in consumer, industrial and office markets. Consumer products include Smith-Corona typewriters, Glidden paints, and Durkee Foods. Industrial products include chemical coatings, industrial and institutional foods, pigments and colors, metal powders, pulp and paper, organic chemicals, ceramic frits, industrial dryers and industrial processing equipment. Office products include typewriters, business forms and stationery, and telecommunications equipment for military and commercial users.

Divisions:

Consumer Products Division
299 Park Avenue
New York, New York 10171
(212) 752-2700

Glidden Coatings and Resins Division
900 Union Commerce Building
Cleveland, Ohio 44115
(216) 771-5121

Kleinschmidt Division
Lake Cook Road
Deerfield, Illinois 60015
(312) 945-1000

Allied Paper Division
1608 Lake Street
Kalamazoo, Michigan 49003
(616) 345-7131

SCM Chemicals Division
New York, New York

Durkee Foods Division
Cleveland, Ohio

Transfer Agent(s):

Bradford Trust Company
67 Broad Street
New York, New York 10004

Stock Exchange(s): New York, Pacific

Ticker Symbol: SCM

Number of Employees:

1985	20,000	1982	25,500
1984	20,900	1981	27,600
1983	24,500		

Plant Footage:

1985	N.A.	1983	9,100,000
1984	10,000,000 sq.ft.		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$2,175,400,000	$ 41,776,000
1984	1,963,200,000	41,669,000
1983	1,663,000,000	24,454,000
1982	1,703,100,000	28,725,000
1981	1,760,800,000	56,511,000

	No. of Com. Shares	Earn. per Share #
1985	9,947,000	$ 4.20
1984	9,757,000	4.24
1983	9,597,000	2.55
1982	9,469,000	3.01
1981	9,466,000	5.80

+ Of continuing operations only.
# Based on the weighted average number of shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Coatings & resins	$ 687,309	$ 654,628
Typewriters	176,262	198,537
Foods	422,098	393,252
Chemicals	538,882	360,704
Paper products	361,722	351,709
Other	32,826	39,027
Eliminations	(43,661)	(34,632)
Total	$ 2,175,438	$ 1,963,225

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.00	—	—
1984	2.00	—	—
1983	2.00	—	—
1982	2.00	—	—
1981	1.85	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 554,668,000	$ 55.76
1984	529,662,000	54.29
1983	505,671,000	52.69
1982	499,166,000	52.72
1981	489,038,000	51.66

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 2,175,438	$ 1,963,225
Cost of sales	1,604,207	1,444,608
Expenses	479,838	429,116
Interest expense	39,815	29,202
Other income	(2,477)	(4,473)
Income before taxes	$ 54,055	$ 64,772
Income taxes	12,279	23,103
Net Income	$ 41,776	$ 41,669

* Included in Costs and Expenses, Depreciation: $62,657,000 in 1985 and $46,159,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 12,185	$ 3,921
Marketable securities	39,063	47,327
Accts. receiv., net	324,173	268,319
*Inventories	380,284	346,817
Prepaid exp. & deferred taxes	22,555	19,910
Current Assets	$ 778,260	$ 686,294
#Fixed assets	556,508	449,637
Other assets	26,575	23,397
Total Assets	$ 1,361,343	$ 1,159,328

Liabilities
(000's)

	1985	1984
Loans payable	$ 78,129	$ 18,792
Long-term debt, curr.	7,466	13,123
Accts. payable	146,115	131,050
Accruals	129,665	114,832
Income taxes	8,179	882
Curr. Liabilities	$ 369,554	$ 278,679
Long-term debt	351,479	261,343
Other liabilities	20,198	22,038
Deferred inc. taxes	65,444	67,606
+ Common stock	50,324	49,482
Add. paid-in capital	127,089	121,351
Retained earnings	389,100	367,086
For. curr. trans. adj.	(6,615)	(2,098)
Unamortized restricted stock	(1,735)	(2,048)
Treasury stock	(3,495)	(4,111)
Total Liabilities & Shareholders' Equity	$ 1,361,343	$ 1,159,328

* At lower of average cost or market, all domestic inventories are at LIFO.
# Less accumulated depreciation.
+ $5 par value.

Statistical Summary

% Income bef. Taxes to Sales	2.48	3.30
% Net Income to Sales	1.92	2.12
% Net Income to Equity	7.53	7.87
Sales to Inventories	5.72	5.66
Debt to Equity	0.79	0.55
Working Capital	$408,706,000	$407,615,000
Current Ratio	2.11	2.46
Shareholders' Equity	$554,668,000	$529,662,000

SCOPE Incorporated

1860 Michael Faraday Drive
Reston, Virginia 22090
(703) 471-5600

Officers: Michael Levy, chairman of the board & chief exec. officer; Edward R. Olson, president & chief oper. officer; Timothy J. Crowe, v.p. & treasurer; Tony R. Gallardo, v.p.-operations & secretary; Carl N. Kelly, v.p.-corporate marketing & sales; Kiran Gandhi, v.p.

Directors: Michael Levy, chairman of the board; Edward R. Olson, Timothy J. Crowe, Tony R. Gallardo, Carl N. Kelly, Kiran Gandhi, Raymond J. Kiernan.

Areas of Work: Operates principally in three industry segments of business: distribution systems, communications equipment and information systems. Operations in distribution systems involve the production and sale of electronic weight-measurement equipment employed in material handling, warehousing, packaging and manufacturing; computerized order entry and order processing systems; and material-handling conveyor systems. Operations in communications involve the production and sale of land-mobile industrial radios and data collection terminals. Operations information systems and federal defense, principally involve federal defense contracts.

SCOPE Incorporated

Subsidiaries:

MRC Corporation

Transfer Agent(s):

Sovron Bank, N.A.
Corporate Trust Department
P.O. Box 26904
Richmond, Virginia 23261

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SCPE (NASDAQ)

Sales and Earnings

	Net Sales ‡	Net Income †
1985	$ 8,928,093	$ (1,436,088)
1984	14,204,975	241,941
1983	10,973,218	246,342
1982	10,719,452	(666,516)
1981	11,241,721	(1,968,715)

	No. of Com. Shares +	Earn. per Share #†
1985	1,458,770	$ —
1984	1,458,770	0.17
1983	1,458,770	0.17
1982	1,458,770	—
1981	1,458,770	—

(Loss)
‡ Includes contract income; of continuing operations only.
† Including extraordinary gains of $146,880 ($0.10 per share) in 1983 and $168,800 ($0.12 per share) in 1982.
+ Adjusted to reflect stock dividend.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$ —	20%	—
1984	—	—	—
1983	—	—	—
1982	0.25	—	—
1981	0.50	—	—

# Adjusted to reflect stock dividend.

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 2,707,746	$ 1.86
1984	4,143,834	2.84
1983	3,901,893	2.67
1982	3,666,199	2.51
1981	22,795,245	15.63

# Adjusted to reflect stock dividend.

Income Account

Year ended Dec. 31	1985	1984
Net sales & other income	$ 8,928,093	$ 14,204,975
Cost of sales	6,730,029	9,875,934
Expenses	2,476,094	2,476,250
Depreciation and amortization	341,482	490,093
Res. & develop.	670,998	1,013,379
Interest expense	140,278	97,633
Invest. income	(5,988)	(5,585)
Other expense (income)	7,798	(5,675)
Income (loss) bef. taxes	$ (1,432,598)	$ 262,946
Income taxes	3,490	21,005
Net Income (Loss)	$ (1,436,088)	$ 241,941

Assets

As of Dec. 31	1985	1984
Cash	$ 212,298	$ 149,327
Receiv., net	2,855,558	3,549,510
*Inventories	1,164,989	1,576,167
Prepaid expenses	54,885	63,498
Current Assets	$ 4,287,730	$ 5,338,502
#Fixed assets	2,216,758	2,385,352
Deferred inc. taxes	16,348	16,718
Total Assets	$ 6,520,836	$ 7,740,572
Liabilities		
Notes payable	$ 850,000	$ 200,000
Long-term debt, curr.	81,046	76,835
Accounts payable	587,895	832,020
Accruals	766,593	850,147
Cust. deposits	383,000	383,000
Income taxes	11,289	43,419
Curr. Liabilities	$ 2,679,823	$ 2,385,421
Long-term debt	961,922	1,016,434
Deferred comp.	171,345	194,883
+ Common stock	1,496,040	1,252,912
Add. paid-in capital	2,560,037	2,803,165
Retained earn. (deficit)	951,286	484,802
Treasury stock	(397,045)	(397,045)
Total Liabilities & Shareholders' Equity	$ 6,520,836	$ 7,740,572

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.85
%Net Income to Sales	—	1.70
%Net Income to Equity	—	5.84
Debt to Equity	0.39	0.26
Working Capital	$1,607,907	$2,953,081
Current Ratio	1.60	2.24
Shareholders' Equity	$2,707,746	$4,143,834

Semicon, Inc.

15 New England Executive Park
Burlington, Massachusetts 01803
(617) 229-6290

Officers: Rolland V. Robison, president; Robert E. House, exec. v.p.; Richard C. Allard, treasurer & v.p.-finance; Thomas L. Arena, president-Microfab, Inc.; Walter M. Petrosky, president-ST-Semicon, Inc.

Directors: Robert E. House, Rolland V. Robison, Charles T. Russell, Jr., Mary E. Weber, Bruce W. Everitt.

Areas of Work: Engaged in the manufacture and sale of semiconductor devices such as zener diodes, high voltage diodes and rectifiers, primarily to the television, industrial, commercial, telephone, military, computer and automotive industries. Also manufactures printed circuit boards and semiconductor test devices.

Divisions and Subsidiaries:

Microfab, Inc.
Amesbury, Massachusetts
(617) 388-3600

Semicon Components, Inc.
Burlington, Massachusetts
(617) 272-9015

Armatek, Inc.
South Burlington, Vermont
(802) 658-3110

Semicon Ventures, Inc.
Burlington, Massachusetts
(617) 229-6290

ST-Semicon, Inc.
Bloomington, Indiana
(812) 332-1435

Semetex Corp. (16% owned)
Torrance, California
Research and development of semiconductors

Transfer Agent(s):

Continental Stock Transfer and Trust Co.
(common stock)
72 Reade Street
New York, New York 10007

Fleet National Bank
(convertible debentures)
111 Westminster Street
Providence, Rhode Island 02903

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SEME (NASDAQ)

Number of Employees:

1985	625	1982	577
1984	781	1981	576
1983	585		

Plant Footage:

1985	350,000 sq. ft.	1982	183,000
1984	193,000	1981	159,000
1983	183,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 37,553,000	$ 2,753,000
1984	36,477,000	3,015,000
1983	25,122,000	960,000
1982	24,514,000	315,000
1981	23,780,000	789,000

	No. of Com. Shares #	Earn. per Share #
1985	3,541,000	$ 0.89
1984	3,567,000	0.97
1983	2,812,000	0.34
1982	2,836,000	0.11
1981	2,911,000	0.27

Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 11,396,000	$ 4.01
1984	9,033,000	3.13
1983	5,364,000	1.90
1982	4,316,000	1.54
1981	4,458,000	1.53

† Adjusted to reflect stock split.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 37,553,000	$ 36,477,000
Other income	499,000	128,000
Total income	$ 38,052,000	$ 36,605,000
Cost of sales	29,857,000	26,950,000
Expenses	6,086,000	5,320,000
Interest & debt expense	1,654,000	1,086,000
Income before taxes	$ 455,000	$ 3,249,000
Income taxes	—	1,393,000
Distr. from venture cap. invest.	(2,298,000)	(1,159,000)
Net Income	$ 2,753,000	$ 3,015,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,514,000 in 1985 and $1,169,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 2,065,000	$ 705,000
Accts. receiv., net	5,342,000	7,059,000
*Inventories	7,042,000	7,110,000
Prepaid expenses	717,000	422,000
Current assets	$ 15,166,000	$ 15,296,000
#Fixed assets	18,757,000	8,268,000
Other assets	1,102,000	1,223,000
Total Assets	$ 35,025,000	$ 24,787,000

Liabilities

	1985	1984
Notes payable	$ 331,000	$ 398,000
Long-term debt, curr	938,000	345,000
Accts. payable	3,219,000	3,754,000
Accrued payroll	479,000	994,000
Accrued interest	444,000	405,000
Income taxes	25,000	906,000
Curr. Liabilities	$ 5,436,000	$ 6,802,000
Long-term debt	16,754,000	7,975,000
Deferred inc. taxes	1,439,000	977,000
+ Common stock	781,000	781,000
Add. paid-in capital	1,108,000	1,108,000
Retained earnings	11,261,000	8,508,000
Treasury stock	(1,754,000)	(1,347,000)
Unearned compensation	—	(17,000)
Total Liabilities & Shareholders' Equity	$ 35,025,000	$ 24,787,000

* At lower of estimated cost (FIFO) or market.
# Less accumulated depreciation and amortization
+ $0.25 par value

Statistical Summary

%Income bef. Taxes to Sales	1.21	8.91
%Net Income to Sales	7.33	8.27
%Net Income to Equity	24.16	33.38
Sales to Inventories	5.33	5.13
Debt to Equity	1.58	0.97
Working Capital	—	$8,494,000
Current Ratio	—	2.25
Shareholders' Equity	$11,396,000	$9,033,000

Semtech Corporation

652 Mitchell Road
Newbury Park, California 91320
(805) 498-2111

Officers: John D. Poe, president, chief exec. officer; Gustav H.D. Franzen, exec. v.p. treasurer; Steven M. Otterbeck, v.p.-finance & administration; Fredrick A. Gateka, v.p. & secretary; William B. Krause, v.p. & dir.-marketing; Patrick Schmitz, v.p.-operations; Gisela Auchter, asst. secretary.

Directors: John D. Poe, Fredrick A. Gateka, Judith R. Nelson, Gustav H.D. Franzen, William B. Krause, Harold Joseph Smead.

Areas of Work: Manufactures silicon rectifiers, rectifier assemblies, high-voltage monolithic capacitors and related devices which are used mainly to convert alternating current into direct current. These products are also used in electrical circuits to limit or regulate voltage or to protect other devices or systems by absorbing or diverting electrical energy.

Subsidiary

Semtech Ltd
Whitehall Industrial Estate
Glenrothes, Fifes, Scotland
Glenrothes 773520

Transfer Agent(s):

First Interstate Bank
707 Wilshire Boulevard
Los Angeles, California 90017

Stock Exchange(s): American

Ticker Symbol: SMH

Number of Employees:

1986	282

Plant Footage:

1986	90,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income †
1986	$ 12,956,000	$ (865,000)
1985	10,949,000	(3,971,000)
1984	11,414,000	(668,000)
1983	11,695,000	(113,000)
1982	13,810,000	(36,000)

	No. of Com Shares	Earn. per Share ‡
1986	1,831,490	$
1985	1,831,490	—
1984	1,831,490	—
1983	1,778,671	—
1982	1,727,359	—

(Loss)
† Including extraordinary gain of $37,000 ($0.02 per share) in 1983
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	—	—	—
1985			—
1984		3%	—
1983		3%	—
1982		3%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 4,890,000	$ 2.67
1985	5,625,000	3.07
1984	9,754,000	5.33
1983	10,474,000	5.72
1982	10,670,000	5.82

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 12,956,000	$ 10,949,000
Cost of sales	9,311,000	9,954,000
Expenses	4,711,000	4,231,000
Write-down of fixed assets	—	390,000
Gain on sale of land	(197,000)	—
Interest expense	90,000	49,000
Other expense (income)	(43,000)	51,000
For. curr. trans.	(75,000)	2,000
Loss before taxes	$ (841,000)	$ (3,728,000)
Tax credit	(24,000)	(243,000)
Net Loss	$ (865,000)	$ (3,971,000)

* Included in Costs and Expenses, Depreciation and Amortization: $393,000 in 1986 and $430,000 in 1985.

Assets

As of Jan. 31	1986	1985
Cash	$ 399,000	$ 115,000
Receiv., net	1,987,000	1,494,000
*Inventories	3,193,000	3,276,000
Prepaid expenses	46,000	81,000
Refundable taxes	—	13,000
Current Assets	$ 5,625,000	$ 4,979,000
#Fixed assets	1,870,000	2,596,000
Other assets	90,000	—
Total Assets	$ 7,585,000	$ 7,575,000

Liabilities

	1986	1985
Notes payable	$ 588,000	$ 250,000
Long-term debt, curr	27,000	203,000
Accts. payable & accruals	1,582,000	1,054,000
Income taxes payable	349,000	233,000
Curr. Liabilities	$ 2,546,000	$ 1,740,000
Cap. lease oblig.	9,000	78,000
Deferred inc. taxes	140,000	132,000
+ Common stock	34,000	34,000
Add. paid-in capital	5,221,000	5,221,000
Retained earnings (deficit)	(210,000)	655,000
Currency translation adj	(155,000)	(285,000)
Total Liabilities & Shareholders' Equity	$ 7,585,000	$ 7,575,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	4.06	3.34
Debt to Equity	0.13	0.09
Working Capital	$3,079,000	$3,239,000
Current Ratio	2.21	2.86
Shareholders' Equity	$4,890,000	$5,625,000

Sensormatic Electronics Corporation

1150 Broken Sound Parkway, N.W.
Boca Raton, Florida 33431
(305) 994-9700

Officers: Ronald G. Assaf, chairman of the board & president; James E. Lineberger, chairman of the executive committee; George M. Harbin, Jr., exec. v.p.; Leonard R. Barbato, v.p.-finance & secretary; William G. Weider, v.p.-manufacturing; Olin S. Giles, v.p.-engineering; Dennis C. Gillette, v.p.-sales; Albert R. Tate, Jr., v.p.-marketing; Thomas J. Dytko, v.p.-customer engineering; Paul F. Manley, v.p.-administration & planning; Howard G. Sachs, v.p.-operations; Gerd Witter, v.p.- European operations.

Directors: Ronald G. Assaf, chairman; James E. Lineberger, Arthur G. Milnes, Jerome M. LeWine, Allen J. Dusault, Arthur S. Nicholas.

Areas of Work: Designs and manufactures electronic surveillance systems which consist of an electronic transmitter and coordinated receiver placed at the exits of stores and a supply of specially designed and sensitized tags.

Subsidiaries:

Senelco France S.A.
Rungis, France

Senelco (Belgium) S.A.
Avenue du Roi Albert 177
Bte 12
1080 Brussels
Belgium

Senelco Ges.m.b.H.
Telekygasse 4T5
A-1190 Wien
Linz, Austria

Senelco Italia S.r.l.
Via Cesare de Sesto 15
20123 Milano, Italy

Sensormatic Electronics Corp. (Puerto Rico)
Pridco T-1236
State Road No. 125
Moca, Puerto Rico 00716

Senelco Netherlands B.V.
Sterrebaan 4
3606 E B Maarssen
Netherlands

Sensormatic Electronics Corporation

Senelco Iberia S.A.
C/Velazquez
Madrid 6
Spain

Senelco A.G.
Im Rotel 10a
Postfach 442
CH-6301 Zug, Switzerland

Senelco GmbH
Broichhofstr, Strasse 289
4030 Ratingen 1/Dusseldorf
West Germany

Transfer Agent(s):

Southeast Bahk, N.A.
P.O. Box 013979
Miami, Florida 33101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNSR (NASDAQ)

Number of Employees:

1985	1,157	1982	1,050
1984	1,199	1981	889
1983	1,050		

Plant Footage:

1985	N.A.	1982	136,075
1984	N.A.	1981	136,075
1983	136,075 sq. ft.		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income
1985	$ 91,322,000	$ 7,482,000
1984	93,638,000	18,215,000
1983	86,087,000	22,903,000
1982	66,985,000	15,611,000
1981	50,718,000	10,178,000

	No. of Com. Shares †	Earn. per Share ‡
1985	27,868,000	$ 0.27
1984	27,757,000	0.65
1983	24,222,000	0.92
1982	23,590,230	0.67
1981	19,633,425	0.48

† Adjusted to reflect stock splits.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.075	—	—
1984	0.025	—	—
1983	0.045	—	3-for-2
1982	0.0367	—	2-for-1
1981	0.0267	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 189,925,000	$ 6.82
1984	185,561,000	6.69
1983	114,424,000	4.72
1982	84,458,000	3.58
1981	43,759,000	2.23

† Adjusted to reflect stock splits.

Income Acount

Year ended May 31	1985	1984
Revenues	$ 91,322,000	$ 93,638,000
Cost of sales	36,137,000	29,733,000
Expenses	44,118,000	37,878,000
Depreciation	3,740,000	4,205,000
Int. income	(5,411,000)	(4,984,000)
Int. expense	1,890,000	1,238,000
Amortization	1,507,000	348,000
Income before taxes	$ 9,341,000	$ 25,220,000
Income taxes	1,859,000	7,005,000
Net Income	$ 7,482,000	$ 18,215,000

Assets

As of May 31	1985	1984
Cash	$ 61,878,000	$ 47,456,000
Accts. receiv., net	95,706,000	107,829,000
#Fixed assets	66,479,000	75,251,000
Investments	10,222,000	4,544,000
Deferred charges & other assets	9,878,000	6,239,000
Total Assets	$ 244,163,000	$ 241,319,000

Liabilities

Notes payable	$ 18,689,000	$ 18,025,000
Accts. payable	3,512,000	4,828,000
Accruals	13,310,000	12,515,000
Income taxes	1,287,000	4,147,000
Deferred income taxes	17,440,000	16,243,000
+ Common stock	278,000	277,000
Add. paid-in capital	119,494,000	119,456,000
Retained earnings	79,638,000	74,232,000
Foreign curr. trans.	(3,264,000)	(1,919,000)
Treasury stock	(6,221,000)	(6,485,000)
Total Liabilities & Shareholders' Equity	$ 244,163,000	$ 241,319,000

Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Revenues	10.23	26.93
%Net Income to Revenues	8.19	19.45
%Net Income to Equity	3.94	9.82
Debt to Equity	0.10	0.10
Shareholders' Equity	$189,925,000	$185,561,000

Servo Corporation of America

111 New South Road
Hicksville, New York 11802
(516) 938-9700

Officers: Henry Blackstone, chairman of the board; Stephen A. Barre, president & chief exec. officer; Louis A. Gallina, sr. v.p.-operations; Walter W. Weeden, Jr., sr. v.p.-transportation products; Edward V. Mollichelli, sr. v.p.-electronic system programs; Robert J. Stalzer, sr. v.p.-administration & finance; Joseph E. Bambara, v.p.-transportation engineering; Joel C. Tate, v.p.-infrared/electro optics products; Brian J. Smith, controller; Edgar W. Tappen, Jr., treasurer; William L. Maher, secretary; Mildred H. Drasser, asst. secretary.

Directors: Henry Blackstone, chairman; Stephen A. Barre, Alan J. Strassman, Floyd A. Lyon, Emil N. Block, Jr.

Areas of Work: Engaged in the design and manufacture of infrared/electro-optics components such as infrared detectors; lens assemblies for spacecraft; direction finder systems used in aviation air traffic control operations; meterological systems; microwave amplifiers, signal generators, devices employed to monitor and locate dangerous axle conditions on moving rail cars; automatic railroad car identification systems.

Subsidiaries:

Servo International, Inc. (FSC)
Hicksville, New York

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: SCA

Sales and Earnings

	Net Sales	Net Income
1985	$ 14,980,496	$ 544,872
1984	12,547,151	83,084
1983	15,966,467	418,595
1982	14,751,838	436,562
1981	14,007,118	372,838

	No. of Com. Shares	Earn. per Share ‡
1985	680,571	$ 0.77
1984	665,071	0.12
1983	651,521	0.58
1982	640,621	0.64
1981	636,121	0.57

‡ Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 6,141,920	$ 9.02
1984	5,538,479	8.33
1983	5,410,653	8.30
1982	4,947,636	7.72
1981	4,493,633	7.06

Income Account *

Year ended Oct. 31	1985	1984
Net sales	$ 14,980,496	$ 12,547,151
Cost of sales	9,688,928	8,639,553
Expenses	4,622,367	4,054,708
Oper. profit (loss)	$ 669,201	$ (147,110)
Other income	363,138	340,484
Total	$ 1,032,339	$ 193,374
Interest expense	29,467	102,402
Income before taxes	$ 1,002,872	$ 90,972
Income taxes	458,000	7,888
Net Income	$ 544,872	$ 83,084

* Included in Costs and Expenses, Depreciation and Amortization: $251,055 in 1985 and $337,258 in 1984.

Assets

As of Oct. 31	1985	1984
Cash and cash equiv.	$ 2,638,704	$ 4,529,137
Accts. receiv., net	2,486,258	2,270,474
*Inventories	2,994,510	2,623,353
Prepaid expenses	160,124	25,377
Deferred tax benefits	125,000	18,000
Current Assets	$ 8,404,596	$ 9,466,341
#Fixed assets	1,154,179	1,133,944
Other assets	342,123	327,090
Deferred tax benefits	245,000	291,000
Long-term investment	—	30,579
Total Assets	$ 10,145,898	$ 11,248,954

Liabilities

Long-term debt, curr.	$ 29,588	$ 24,844
Accts. payable	618,004	364,908
Accruals	807,808	765,664
Income taxes	355,525	141,188
Excess amts. recv.-U.S. gov't. contracts	1,541,464	3,715,470
Curr. Liabilities	$ 3,352,389	$ 5,012,074
Long-term debt	328,839	346,401
Deferred comp.	322,750	352,000
+ Common stock	680,571	665,071
Add. paid-in capital	978,479	935,410
Retained earnings	4,482,870	3,937,998
Total Liabilities & Shareholders' Equity	$ 10,145,898	$ 11,248,954

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.69	0.73
%Net Income to Sales	3.64	0.66
%Net Income to Equity	8.87	1.50
Sales to Inventories	5.00	4.78
Debt to Equity	0.06	0.07
Working Capital	$5,052,207	$4,454,267
Current Ratio	2.51	1.89
Shareholders' Equity	$6,141,920	$5,538,479

SFE Technologies

(formerly San Fernando Electric Manufacturing Company)

1501 First Street
San Fernando, California 91340
(818) 361-1176

Officers: Donald E. Rubendall, chairman of the board & chief exec. officer; Alan D. Rubendall, president & chief oper. officer; Jerome J. Jahn, v.p.-finance & secretary; Robert O. Roberg, v.p.-operations; Robert Rubendall, v.p.; Michael A. Rosenberg, v.p.-technology; Joseph L. Lucia, v.p.-marketing & sales; Robert W. Bronson, v.p.-corp. quality; H. Kermit Hawkins, v.p.

Directors: Donald E. Rubendall, chairman; Robert O. Roberg, Alan D. Rubendall, Jerome J. Jahn, Michael A. Rosenberg, Oren Lane.

Areas of Work: Designs, manufactures and markets passive electronic components, including multi-layer ceramic capacitors and wound capacitors, quartz crystal frequency control devices, magnetic components and frequency interference filters. The products are used in telecommunications, consumer electronics, data processing, automotive and aero-space applications. The company also designs and produces circuit assemblies utilizing surface mount technology (SMT) and thick-film hybrid micro-circuits.

Divisions:

Electro Dynamics
Overland Park, Kansas
Quartz crystals.

San Fernando Electric Division
1501 First Street
San Fernando, California 91340
(818) 365-9411
Ceramic capacitors, EMI/RFI filters.

San Fernando Electric Division
4100 Michaud Boulevard
New Orleans, Louisiana 70129
(504) 254-5070
Ceramic capacitors.

Subsidiaries:

West-Cap Arizona
2201 East Elvira Road
P.O. Box 11277
Tucson, Arizona 85706
(602) 294-2646
Magnetic components and wound-film capacitors.

West-Cap Sales International
1501 First Street
San Fernando, California 91340
(818) 365-9411

SFE Technologies Europe B.V.
Wiltonstraat 11-13
2722 NG Zoetermeer
The Netherlands

West-Cap Arizona de Mexico S.A. de C.V.
Nogales, Sonora
Mexico

Orchard Electronics, Inc.
9280 Davidson Highway
Concord, North Carolina 28025
(704) 786-0100
Surface mount technology.

SFE Technologies GmbH
Postfach 1509
D-8540 Schwabach
West Germany
Thick film hybrid circuits.

Polytronics, Inc.
Tucson, Arizona
Polymer multilayer capacitor technology.

SFE Technologies (UK) Ltd.
Hertfordshire, England

Transfer Agent(s):

Bank of America N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SFEM (NASDAQ)

Number of Employees:

1985	1,950	1982	2,060
1984	2,900	1981	1,950
1983	2,373		

Plant Footage:

1985	400,000 sq. ft.	1982	312,600
1984	434,000	1981	310,000
1983	410,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 57,024,000	$ (4,989,000)
1984	65,853,000	3,764,000
1983	49,105,000	3,284,000
1982	49,315,000	3,924,000
1981	45,676,000	3,118,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	6,255,000	$ —
1984	6,362,000	0.59
1983	5,743,000	0.57
1982	5,399,000	0.73
1981	5,319,000	0.59

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.10	4%	—
1984	0.10	4%	—
1983	—	—	4-for-3
1982	—	5%	—
1981	—	10%	—

+ Adjusted to reflect stock dividends and stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 41,677,000	$ 6.66
1984	47,990,000	7.54
1983	43,973,000	7.66
1982	25,353,000	4.70
1981	21,417,000	4.03

+ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Oct. 31	1985	1984
Net sales	$ 57,024,000	$ 65,853,000
Cost of sales	53,175,000	47,936,000
Expenses	14,709,000	14,264,000
Other income	(1,690,000)	(926,000)
Interest expense	1,458,000	1,088,000
Inc. (loss) bef. taxes	$ (10,628,000)	$ 3,491,000
Tax credit	(5,639,000)	(273,000)
Net Income (Loss)	$ (4,989,000)	$ 3,764,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,718,000 in 1985 and $2,408,000 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 1,116,000	$ 546,000
Market. secur.	—	6,785,000
Accts. receiv., net	6,763,000	9,100,000
Inc. taxes receiv.	4,640,000	2,205,000
*Inventories	28,375,000	29,876,000
Prepaid expenses	183,000	191,000
Current Assets	$ 41,077,000	$ 48,703,000
#Fixed assets	39,194,000	27,496,000
Construction funds held	3,293,000	10,155,000
Other assets	2,141,000	1,632,000
Total Assets	$ 85,705,000	$ 87,986,000

Liabilities

Long-term debt, curr.	$ 14,410,000	$ 11,856,000
Accts. payable	2,682,000	3,220,000
Other accrued expenses	2,378,000	2,389,000
Curr. Liabilities	$ 19,470,000	$ 17,465,000
Long-term debt	22,880,000	19,570,000
Cust. advance	—	405,000
Deferred inc. taxes	1,198,000	2,314,000
Deferred comp.	230,000	242,000
Deferred royalty income	250,000	—
+ Common stock	6,265,000	6,003,000
Add. paid-in capital	39,376,000	37,024,000
Ret. earnings (deficit)	(3,007,000)	4,963,000
Reduc. of stock equity due to debt guarantee	(1,000,000)	—
For. curr. trans. adj.	43,000	—
Total Liabilities & Shareholders' Equity	$ 85,705,000	$ 87,986,000

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.30
%Net Income to Sales	—	5.72
%Net Income to Equity	—	7.84
Sales to Inventories	2.01	2.20
Debt to Equity	0.89	0.65
Working Capital	$21,607,000	$31,238,000
Current Ratio	2.11	2.79
Shareholders' Equity	$41,677,000	$47,990,000

Sheldahl, Inc.

P.O. Box 170
Northfield, Minnesota 55057
(507) 663-8000

Officers: James S. Womack, president & chief executive officer; James H. Kessler, Jr., v.p.-finance & asst. secretary; Richard J. Slater, sr. v.p.-business development; Julienne D. Sprint, v.p.-administration; Carl A. Edstrom, v.p.-flexible circuitry; Patrick A. O'Malley, v.p.-sales; Lyle L. Pavlis, v.p.-operations; Roger D. Quam, v.p.-engineered products/electronic materials; Edward L. Lundstrom, v.p. & treasurer; Gerald E. Magnuson, secretary.

Directors: Richard G. Brierley, Gerald E. Magnuson, John P. Robinson, Richard S. Wilcox, James S. Womack, Martin N. Kellogg, John G. Kassakian, Wesley M. Mader.

Areas of Work: Provides technological services and manufacturing to customer specifications; manufactures electrical materials, flexible circuitry, electronic connectors and terminals.

Divisions:

Electronic Materials/Engineered Products

Flexible electronic materials are the "raw materials from which flexible circuits are made. For the most part, they are

Sheldahl, Inc.

laminates of metallic foils - commonly copper - bonded to a variety of dielectric substrates as well as coverlay materials to insulate the complete circuit. Both the electronic materials and coverlays are produced by Sheldahl in industrial size rolls, ready for conversion into flexible circuitry components.

Engineered products include aerostats for telecommunications, a "padeye" system for transloading ships at sea, helicopter blade liners, special fabrications, tambour covers, splicing tapes, coated products, tapes and laminated, and vacuum metalized materials.

Flexible Circuits/Membrane Switches

Flexible circuits are preassembled "interconnect" products - generally free of defects and adaptable to a constantly growing number of applications. Because they are indeed flexible, they can conform to almost any configuration on multiple planes, while retaining their electrical/electronic function. Typical applications for flex circuits include telephones and communication switching equipment, computer memory storage systems, cameras, hand-held calculators, automobiles and medical instrumentation.

Sheldahl's FLEXSWITCH membrane switches make up the company's newest product line - for the membrane switch keyboard market. In composition, the FLEXSWITCH keyboard consists of a three-layer polyester film sandwich bonded together by means of a special Sheldahl proprietary adhesive. A flexible circuit, an integral part of the membrane switch, provides interconnection. Typical applications for FLEXSWITCH include electronic educational devices, control panels for washers and dryers, medical instrumentation control panels, automotive electronics and plain paper copiers.

Subsidiaries:

Sheldahl International, Inc. (DISC)
Northfield, Minnesota

Sheldahl International Sales, Inc. (FSC)

Symbolic Displays, Inc.
Irvine, California

Manufactures custom-designed, medium-travel lighted display assemblies for use in military and commercial aircraft.

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SHEL (NASDAQ)

Sales and Earnings

	Net Sales +	Net Income
1985	$ 59,388,000	$ 2,597,028
1984	43,102,000	3,017,091
1983	36,941,000	(418,280)
1982	37,853,000	1,905,132
1981	34,521,000	2,075,638

	No. of Com. Shares †	Earn. per Share #
1985	2,898,195	$ 0.90
1984	2,845,119	1.06
1983	2,839,119	—
1982	2,839,119	0.67
1981	2,839,119	0.74

(Loss)
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share #
1985	20,341,825	7.02
1984	17,287,001	6.08
1983	14,242,910	5.02
1982	14,661,190	5.16
1981	12,756,058	4.49

Adjusted to reflect stock split.

Income Account *

Year ended August 31	1985	1984
Net sales	$ 59,387,540	$ 43,102,002
Cost of sales	44,322,957	32,485,227
Expenses	9,510,153	6,576,141
Interest expense	1,074,402	473,543
Income bef. taxes	$ 4,480,028	$ 3,567,091
Income taxes	1,883,000	550,000
Net Income	$ 2,597,028	$ 3,017,091

* Included in Costs and Expenses. Depreciation $2,020,013 in 1985 and $1,578,124 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 133,663	$ 422,511
Accts. receiv., net	8,445,363	9,313,687
Tax refund receiv.	224,362	330,000
Notes receiv.	258,175	17,733
*Inventories	15,243,482	10,611,580
Tax benefits	809,000	385,000
Prepaid exp. & deposits	355,733	203,217
Current Assets	$ 25,469,778	$ 21,283,728
#Fixed assets	16,816,597	14,328,575
Notes receiv. & other assets	173,158	343,454
Total Assets	$ 42,459,533	$ 35,955,757

Liabilities

	1985	1984
Notes payable	$ 6,900,000	$ 2,950,000
Long-term debt, curr.	763,750	484,547
Accts. payable	2,443,818	3,885,911
Accruals	2,597,494	2,494,434
Accrued payroll	2,116,577	1,607,758
Income taxes	184,199	97,854
Curr. Liabilities	$ 15,005,838	$ 11,520,504
Long-term debt	4,688,946	5,406,205
Deferred inc. taxes	2,422,924	1,742,047
+ Common stock	733,668	711,267
Add. paid-in capital	2,168,355	1,732,960
Retained earnings	17,439,802	14,842,774
Total Liabilities & Shareholders' Equity	$ 42,459,533	$ 35,955,757

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $0.25 par value.

Statistical Summary

	1985	1984
%Income before Taxes to Sales	7.54	8.28
%Net Income to Sales	4.37	7.00
%Net Income to Equity	12.77	17.45
Sales to Inventories	3.90	4.06
Debt to Equity	0.61	0.51
Working Capital	$10,463,940	$ 9,763,224
Current Ratio	1.70	1.85
Shareholders' Equity	$20,341,825	$17,287,001

Sheller-Globe Corporation

1505 Jefferson Avenue
P.O. Box 962
Toledo, Ohio, 43697
(419) 255-8840

Officers: Chester Devenow, chairman of the board & chief executive officer; John R. Eastman, vice chairman & chief admin. officer; James A. Graham, president & chief operating officer; Thomas G. Kress, v.p.-finance & chief financial officer; Sidney D. Jeffe, sr. v.p.-operations; Stanley Berlinghoff, v.p.-technical services; Alfred H. Grava, exec. v.p.-automotive & light truck sector; John L. Bradley, v.p.-human resources & administrative services; Ralph J. Hill, v.p. & controller; George A. Berry, exec. v.p.-industrial sector; Richard I. Bortfeld, v.p. & group sr. v.p.-operations; Kenneth L. Cation, v.p. & president-electrical group; John S. Harmon, v.p.-International; John F. McCuen, v.p., secretary & general counsel; Irvin M. Zimet, v.p. & president-Office Products Group; James F. Ferrella, Dale A. Cable, asst. treasurers; Lawrence E. King, asst. secretary.

Directors: Lawrence E. Brinn, James A. Graham*, Chester Devenow*, John R. Eastman*, John C. Griffin*, Frank N. Ikard, Ellis B. Merry, William H. Patterson*, Howard M. Stein, Thomas L. Chrystie.

* Member of the Executive Committee

Areas of Work: Engaged in the manufacture of products for the original equipment and automotive service markets; sheet metal stampings and assemblies; office supplies; fractional horsepower D.C. motors and other types of motors; rubber and plastic products and assemblies; cold forged parts; non-ferrous stampings; fabricated foam products; radiation measuring instruments and systems; special purpose electronic components.

Divisions and Subsidiaries:

Electrical Group

Accurate Parts
1313 South Jay Street
Kokomo, Indiana 46901

Starter drives, solenoids and starter motor components for the automotive aftermarket.

Leece-Neville Small Motors Division
904 Billy Mitchell Boulevard
Brownsville, Texas 78520

Fractional horsepower D.C. motors for original equipment or aftermarket application in auto and truck equipment.

Leece-Neville Heavy Duty Electrical Division
1374 East 51st Street
Cleveland, Ohio 44103

Original equipment and replacement heavy-duty alternators for trucks, buses, emergency vehicles and off-highway equipment.

Leece-Neville Gainesville
989 Athens Street, S.E.
Gainesville, Georgia 30501

Heavy-duty cranking motors and voltage regulators, AC motors for home appliances.

Victoreen, Inc.
10101 Woodland Avenue
Cleveland, Ohio 44104

Micro-processor based radiation detection instrments, nuclear monitoring systems and special purpose electronic components.

Nuclear Associates
100 Voice Road
Carle Place, New York 11514

Radiation medical instruments and supplies, including products for nuclear medicine, diagnostic x-ray, ultrasound and radiation therapy.

Leece-Neville de Mexico S.A. de C.V.
Tamps, Mexico

Assembly of fractional horsepower DC motor.

Transfer Agent(s):

The Toledo Trust Company
Stock Transfer Department
245 N. Summit Street
Toledo, Ohio 43603

Stock Exchange(s): New York

Ticker Symbol: SHG

Number of Employees:

1985	12,000	1982	9,000
1984	12,100	1981	9,000
1983	10,100		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 917,702,000	$ 36,723,000
1984	816,415,000	34,826,000
1983	607,942,000	16,612,000
1982	500,171,000	14,102,000
1981	514,520,000	18,749,000

	No. of Com. Shares #	Earn. per Share #
1985	8,737,769	$ 4.15
1984	9,199,787	3.73
1983	8,069,485	1.93
1982	6,563,635	1.83
1981	6,265,082	2.64

+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Automotive parts & assemblies	$ 795,245	$ 688,782
Office prods.	80,715	71,802
Other	77,742	55,831
Total	$ 917,702	$ 816,415

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.775	—	—
1984	0.675	—	—
1983	0.525	—	—
1982	0.475	—	—
1981	0.325	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1985	$ 238,680,000	$ 27.32
1984	193,337,000	21.02
1983	188,531,000	23.36
1982	118,638,000	18.08
1981	101,184,000	16.15

‡ After allowing for preferred stock at aggregate liquidating value.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 917,702	$ 816,415
Other income	10,430	9,878
Total income	$ 928,132	$ 826,293
Cost of sales	761,637	681,633
Expenses	90,260	73,950
Minority interest	420	145
Interest expense	10,377	9,905
Income before taxes	$ 65,438	$ 60,660
Income taxes	28,715	25,834
Net Income	$ 36,723	$ 34,826

* Included in Costs and Expenses, Depreciation and Amortization: $19,680,000 in 1985 and $15,888,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & short-term invest.	$ 96,618	$ 55,151
Accts. receiv., net	121,837	118,130
*Inventories	101,668	111,294
Prepaid expenses	11,489	11,074
Current Assets	$ 331,612	$ 295,649
Investments & other assets	10,026	14,855
#Fixed assets	152,780	128,076
Total Assets	$ 494,418	$ 438,580

Liabilities
(000's)

Notes payable	$ 2,450	$ 848
Long-term debt, curr.	8,512	8,102
Accts. payable	74,765	64,037
Inc. taxes payable	1,788	5,276
Accruals	42,948	42,644
Curr. Liabilities	$ 130,463	$ 120,907
Long-term debt	103,290	104,329
Minority interest	4,441	330
Pension contributions	6,155	—
Deferred inc. taxes	10,434	9,780
+ Preferred stock:		
$1.40 Series	171	187
$3.00 Series	784	857
+ Common stock	8,645	8,364
Add. paid-in capital	55,991	50,978
Retained earnings	175,507	145,954
Marketable securities	—	(1,196)
Foreign curr. trans. adj.	(1,463)	(1,910)
Total Liabilities & Shareholders' Equity	$ 494,418	$ 438,580

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income before Taxes to Sales	7.13	7.43
%Net Income to Sales	4.00	4.27
%Net Income to Equity	15.32	17.14
Sales to inventories	9.03	7.34
Debt to Equity	0.48	0.56
Working Capital	$201,149,000	$174,742,000
Current Ratio	2.54	2.45
Shareholders' Equity	$239,635,000	$203,234,000

SI Handling Systems, Inc.

P.O. Box 70
Easton, Pennsylvania 18042
(215) 252-7321

Officers: L. Jack Bradt, chairman of the board & chief executive officer; Leonard S. Yurkovic, president & chief operating officer; John L. DeRito, v.p.-finance; E. Jerome Brose, secretary.

Directors: John R. Boehringer, L. Jack Bradt, Karl-Henry Bergkvist, James H. McDougall, Richard F. Schubert, Andrew S. Schultz, Jr., Leonard S. Yurkovic, Everett H. Van Hoesen.

Areas of Work: Designs, manufactures, sells and installs mechanized and automated material handling and order selection systems under mechanical electronic and computer control in the United States, Canada and overseas.

Subsidiaries:

SI Handling Systems International Ltd.
Cayman Islands, B.W.I.

SI Handling Systems Europe N.V.
Brussels, Belgium

Ishikawajima SI Company Ltd. (50% owned)
Tokyo, Japan

SI Handling Systems GmbH
Bremen, Germany

Transfer Agent(s):

Registrar & Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): Over the Counter

Ticker Symbol: SIHS (NASDAQ)

Number of Employees:

1986	243	1983	240
1985	238	1982	301
1984	300		

Plant Footage:

1986	172,000 sq. ft.	1983	172,000
1985	172,000	1982	142,000
1984	172,000		

Sales and Earnings

	Net Sales	Net Income ‡
1986	$ 24,989,000	$ 251,000
1985*	23,309,000	32,000
1984	19,248,000	(742,000)
1983	19,824,000	275,000
1982	32,148,000	1,146,000

	No. of Com. Shares +	Earn. per Share ‡‡
1986	1,491,119	$ 0.17
1985*	1,491,119	0.02
1984*	1,501,705	
1983	1,487,369	0.20
1982	1,047,002	0.85

(Loss)
* 53 weeks.
+ Adjusted to reflect stock splits.
‡ Including extraordinary gains of $374,000 ($0.25 per share) in 1986 and $657,000 ($0.44 per share) in 1985.
‡‡ Based on the weighted average number of common shares and common equivalent shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.10		
1985	0.10		
1984	0.10		
1983	0.10		
1982	0.10		5-for-4 & 5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 8,105,000	$ 5.44
1985	7,812,000	5.24
1984	8,149,000	5.43
1983	8,891,000	5.98
1982	6,454,000	6.16

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended	3/2/86	3/3/85
Net sales	$ 24,989,000	$ 23,309,000
Cost of sales	17,775,000	15,962,000
Expenses	6,205,000	6,995,000
Research & develop.	879,000	745,000
Prov. for doubt. accts.	(19,000)	—
Other expense (income)	(327,000)	468,000
Interest expense	220,000	215,000
Inc. (loss) bef. taxes	$ 256,000	$ (1,076,000)
Income taxes (credit)	379,000	(451,000)
Net Loss	$ (123,000)	$ (625,000)
Extraordinary gain	374,000	657,000
Net Income & extraord. gain	$ 251,000	$ 32,000

* Included in Costs and Expenses, Depreciation and Amortization: $811,000 in 1985 and $846,000 in 1984.

Assets

As of	3/2/86	3/3/85
Cash	$ 2,611,000	$ 2,488,000
Receiv., net	5,434,000	4,732,000

Costs in exc. of billings	2,276,000	2,104,000
*Inventories	3,962,000	4,024,000
Prepaid expenses	255,000	131,000
Current Assets	$ 14,538,000	$ 13,479,000
#Fixed assets	3,789,000	4,138,000
Deferred inc. taxes	481,000	655,000
Intangibles & other assets	249,000	331,000
Total Assets	$ 19,057,000	$ 18,603,000

Liabilities

Long-term debt, curr	$ 546,000	$ 524,000
Accts. payable	2,808,000	2,073,000
Cust. deposits	2,171,000	2,259,000
Accrued payroll	498,000	455,000
Income taxes payable	269,000	
Deferred inc. taxes	634,000	1,028,000
Other accruals	990,000	876,000
Curr. Liabilities	$ 7,916,000	$ 7,215,000
Long-term debt	2,987,000	3,539,000
Deferred compensation	49,000	37,000
+ Common stock	1,527,000	1,527,000
Add. paid-in capital	4,353,000	4,353,000
Retained earnings	2,472,000	2,370,000
Treasury stock	(245,000)	(245,000)
Curr. trans. adj	(2,000)	(165,000)
Equity adj.	—	(28,000)
Total Liabilities & Shareholders' Equity	$ 19,057,000	$ 18,603,000

* At lower of cost (average) or replacement market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

Sales to Inventories	6.31	5.79
Debt to Equity	0.44	0.52
Working Capital	$6,622,000	$6,264,000
Current Ratio	1.84	1.87
Shareholders' Equity	$8,105,000	$7,812,000

Sierracin Corporation

12780 San Fernando Road
Sylmar, California 91342-3796
(818) 362-6802

Officers: Christoph Tribull, chairman of the board & chief executive officer, Joseph F. Swyt, president & chief operating officer; Gary N. Patten, v.p.-finance & secretary; Patricia A. Sprouse, gen. counsel & asst. secretary; Joseph Gordon, president-Intrex Division; Terence Jacobsen, president-TransTech Division; Eldon Swanson, president-Thermal Systems Division; Hank Dixon, president-Sylmar Division; Errol Roy, president-Harrison Division; Fred Heath, president-Power Systems Division; James Romine, president-Magnedyne Division; David Knight, president-E.O.I. Division; Erich Schops, v.p. - Marketing, Paris.

Directors: Christoph Tribull*, Walter E. Hinds*, Raimon Conlisk*, Kinhisa Mushakoji, John C. Janneck.

*Member of the Executive Committee.

Areas of Work: Manufactures and markets high-technology transparency products for the aerospace and electronics markets.

Divisions and Subsidiaries:

Thermal Systems Division
Bell, California

Designs and manufactures special purpose electrical heating components and systems as well as sensors and controllers for such diverse industries as communications and electronic equipment, business machines, aircraft, food handling and environmental control.

Harrison Division
3020 Empire Avenue
Burbank, California 91504
(213) 849-6581

Specializes in the design and manufacture of patented hydraulic components and seals for pneumatic fluid and nuclear power applications.

Magnedyne Division
5580 El Camino Real
Carlsbad, California 92008
(619) 438-3321

Manufactures precision servo motors and tachometers for aerospace and industrial applications.

TransTech Division
12780 San Fernando Road
Sylmar, California 91342
(213) 362-6811

Manufactures high-impact windshields for railroad locomotives, rapid transit vehicles, custom VIP vehicles and ships security glazing for architectural applications.

Transflex Division

Manufactures transparent touch panels and membrane switches to allow direct user interaction with displayed information.

Sylmar Division
12780 San Fernando Road
Sylmar, California 91342
(213) 362-6711

Engaged in the production of transparencies for aircraft.

Power Systems Division
20536 Plummer Street
Chatsworth, California 91311

Manufactures linear and switcher power supplies for computer peripheral and communications equipment, numerically controlled machine parts and other electronic equipment.

Intrex Products

Manufactures transparent membrane switches and coated film products.

EOI

Serves the semiconductor industry's demand for high precision, high quality photolithographic tooling and masks used in the process of fabricating solid state microelectronic devices.

Transfer Agent(s):
Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: SER

Number of Employees:

1985	1,246	1982	1,400
1984	1,450	1981	1,200
1983	1,450		

Plant Footage:

1985	487,270 sq. ft.

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 74,939,000	$ 2,718,000
1984	83,465,000	4,504,000
1983	74,125,000	4,098,000
1982	69,105,000	1,019,000
1981	61,454,000	(1,124,000)

	No. of Com. Shares +	Earn. per Share +
1985	3,382,000	$ —
1984	3,553,000	1.27
1983	3,672,000	1.12
1982	3,608,000	0.28
1981	3,598,000	—

(Loss)
‡ Includes other income. Of continuing operations only.
+ Based on the average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Aerospace prods.	$ 38,753,000	$ 38,500,000
Information processing products	15,534,000	23,183,000
Industrial/Commercial prods.	20,652,000	21,782,000
Total	$ 74,939,000	$ 83,465,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.40	—	—
1983	0.20	—	—
1982	—	—	—
1981	0.45	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 14,645,000	$ 4.33
1984	18,466,000	5.20
1983	17,929,000	4.88
1982	14,486,000	4.01
1981	13,467,000	3.73

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 74,563	$ 82,612
Other income	376	853
Total income	$ 74,939	$ 83,465
Cost of sales	61,405	60,421
Expenses	15,576	15,337
Interest expense	1,399	1,154
Nonrecurring item	646	1,131
Income (loss) bef. taxes	$ (4,087)	$ 6,576
Income taxes (credit)	(1,369)	2,072
Net Income (Loss)	$ (2,718)	$ 4,504

* Included in Costs and Expenses, Depreciation and Amortization: $3,192,000 in 1985 and $2,693,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cert. of dep.	$ 1,868	$ 1,829
Notes receivable	1,148	—
Acct. receiv., net	12,238	14,184
Receivable	2,026	—
*Inventories	9,594	12,852
Prepaid expenses	1,146	655
Current Assets	$ 28,020	$ 29,520
#Fixed assets	15,919	16,566
Other assets	1,190	1,058
Total Assets	$ 45,129	$ 47,144

Liabilities
(000's)

Notes payable	$ 1,000	$ 1,000
Long-term debt, curr	7,481	116
Accts. payable	6,051	6,112
Accruals	3,865	1,910
Accrued payroll	3,919	3,904
Deferred inc. taxes	—	1,474
Income taxes payable	494	—
Curr. Liabilities	$ 22,810	$ 14,516
Cap. lease oblig.	119	—
Long-term debt	5,585	12,432
Deferred inc. taxes	1,338	1,730
Deferred income	632	—
+ Common stock	3,659	3,646
Add. paid-in capital	499	424
Retained earnings	13,711	17,105
Treasury stock	(3,224)	(2,709)
Total Liabilities & Shareholders' Equity	$ 45,129	$ 47,144

* At lower of cost (primary LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.96
%Net Income to Sales	—	5.45
%Net Income to Equity	—	24.39
Sales to Inventories	7.77	6.43
Debt to Equity	0.97	0.73
Working Capital	5,210,000	$15,004,000
Current Ratio	1.23	2.03
Shareholders' Equity	14,645,000	$18,466,000

Silicon General, Inc.

11861 Western Avenue
Garden Grove, California 92641
(714) 898-8121

Officers: Q.T. Wiles, chief executive officer & chairman of the board; George Holmes, president; & chief operating officer; Roland A. Marcello, exec. v.p.; John L. Kehoe, chief financial officer; Robert S. Erdman, secretary & treasurer.

Directors: Q.T. Wiles, chairman; William R. Hambrecht; Daniel A. McMillan.

Areas of Work: Manufactures a series of electronic modules and linear integrated circuits.

Divisions:

Analog Solutions
940 Detroit Avenue
Concord, California 94518
(415) 686-6660

Produces precision analog signal conversion products and custom DC/DC power conversion products.

Semiconductor Group
11861 Western Avenue
Garden Grove, California 92641
(714) 898-8121

Designs, manufactures and markets specialized linear circuits and hybrid circuits for the military and industrial market.

Subsidiaries:

Silicon General Caribbean, Inc.
Zeltex Puerto Rico, Inc.

Transfer Agent(s):

Manufacturer's Hanover Trust Company
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SILN (NASDAQ)

Number of Employees:

1985	360	1982	242
1984	402	1981	380
1983	247		

Plant Footage:

1985	203,050 sq. ft.	1983	57,050
1984	153,050		

Sales and Earnings

	Revenues	Net Income
1985	$ 47,358,000	$ 9,612,000
1984	47,969,000	9,273,000
1983	29,328,000	4,396,000
1982	21,572,000	1,409,000
1981	23,986,000	3,394,000

	No. of Com. Shares †	Earn. per Share +
1985	11,791,644	$ 0.80
1984	11,686,621	0.77
1983	11,131,552	0.38
1982	10,493,136	0.13
1981	10,296,400	0.30

† Adjusted to reflect stock splits.

+ Based on the average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1 & 2-for-1
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 41,318,000	$ 3.50
1984	30,847,000	2.64
1983	18,694,000	1.68
1982	13,311,000	1.27
1981	9,802,000	0.95

‡ Adjusted to reflect stock splits.

Income Account *

Year ended	6/30/85	7/1/84
Net sales	$ 46,177,000	$ 47,228,000
Other income	1,181,000	741,000
Total Income	$ 47,358,000	$ 47,969,000
Cost of sales	26,831,000	25,427,000
Expenses	10,833,000	9,322,000
Interest expense	577,000	170,000
Income before taxes	$ 9,117,000	$ 13,050,000
Income taxes (credit)	(495,000)	3,777,000
Net Income	$ 9,612,000	$ 9,273,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,960,000 in 1985 and $1,186,000 in 1984.

Assets

Year ended	6/30/85	7/1/84
Cash	$ 3,706,000	$ 7,874,000
Accts. receiv., net	15,598,000	8,699,000
*Inventories	15,246,000	7,459,000
Other curr. assets	179,000	67,000
Refundable income taxes	2,396,000	—
Current Assets	$ 37,125,000	$ 24,099,000
#Fixed assets	32,785,000	14,730,000
Other assets	5,462,000	2,575,000
Total Assets	$ 75,372,000	$ 41,404,000

Liabilities

Long-term debt, curr.	$ 1,404,000	$ 344,000
Notes payable	8,925,000	
Accts. payable	7,324,000	3,246,000
Income taxes payable	—	1,300,000
Accruals	2,888,000	2,839,000
Allow. for sales returns	551,000	720,000
Curr. Liabilities	$ 21,092,000	$ 8,449,000
Long-term debt	10,205,000	804,000
Deferred inc. taxes	2,757,000	1,304,000
+ Common stock	4,512,000	4,188,000
Add. paid-in capital	4,694,000	4,159,000
Retained earnings	32,112,000	22,500,000
Total Liabilities & Shareholders' Equity	$ 75,372,000	$ 41,404,000

* At lower of standard cost (which approximates average cost) or market.
# Less accumulated depreciation
+ No par value

Statistical Summary

%Income bef. Taxes to Sales	19.74	27.63
%Net Income to Sales	20.82	19.63
%Net Income to Equity	23.26	30.06
Sales to Inventories	3.03	6.33
Debt to Equity	0.50	0.04
Working Capital	$16,033,000	$15,650,000
Current Ratio	1.76	2.85
Shareholders' Equity	$41,318,000	$30,847,000

Siliconix Incorporated

2201 Laurelwood Road
Santa Clara, California 95054
(408) 988-8000

Officers: Richard E. Lee, chairman, chief exec. officer & president; Douglas R. Sullivan, exec. v.p. & chief operating officer; Harold G. Molynuex, sr. v.p.-worldwide operations; Donald G. Keefe, v.p.-European operations; John W.F. Niem, v.p.-Far East operations; Bruce G. Burman, v.p.-FET Business Unit; Richard A. Blanchard, v. -design & advanced technology development; Walter Senges, v.p.-worldwide sales; John F. Crimmins, chief financial officer; James D. Jacobson, v.p.-wafer fabrication; Peter W. Weber, v.p.-product planning & marketing; Walter Faleschini, secretary; Marian Rawlinson, asst. secretary.

Directors: Richard E. Lee, chairman; Douglas R. Sullivan, Clifford A. Morton, Francis T. Thompson, Robert P. Rhen, Robert L. Wehrli.

Areas of Work: Designs, develops, manufactures and sells discrete devices and integrated circuits which include junction and MOS field-effect transistors (FETs) and digital linear and large-scale integrated circuits. Product application innovations in the areas of switching, multiplexing, interface circuitry, operational and sense amplifiers, phased arrays, signal processing and LSI circuits for the data conversion, and telecommunications markets are derivations of advanced components technologies.

Subsidiaries:

Siliconix, (Hong Kong) Limited
61-63 King Yip Street
Fourth Floor, Kwun Tong
Kowloon, Hong Kong

Siliconix (Taiwan) Limited
Nantze Export Processing Zone
Kaohsiung, Taiwan
Republic of China

Siliconix Limited
Morriston
Swansea, Wales
United Kingdom SA6 6NE

Siliconix S.A.R.L.
70-72 Avenue du General de Gaulle
Echat 559
94020 Creteil Cedex
Creteil, France

Siliconix Japan
101 Daigo Tanaka Building
4-4 Iidabashi, 3-Chome
Chiyoda-ku Tokyo, Japan 102

Siliconix GmbH
7024 Bernhausen
Postfach 1340
Johannestrasse 27
Filderstadt, West Germany

Transfer Agent(s):

First Interstate Bank
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SILI (NASDAQ)

Number of Employees:

1985	2,587	1982	1,820
1984	2,727	1981	2,013
1983	2,225		

Plant Footage:

1985	312,700 sq. ft.	1982	284,000
1984	312,700	1981	284,000
1983	296,700		

Sales and Earnings

	Net Sales	Net Income †
1985	$ 108,022,000	$ 9,059,000
1984	96,305,000	8,408,000
1983	69,565,000	8,812,000
1982	60,025,190	719,971
1981	60,103,367	126,803

Siliconix Incorporated

	No. of Com. Shares #	Earn. per Share #†
1985	6,206,095	$ 1.41
1984	6,175,092	1.36
1983	6,166,192	1.43
1982	5,758,094	0.13
1981	5,192,822	0.02

† Including extraordinary gain of $545,000 ($0.09 per share) in 1983.

#Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 57,410,000	$ 9.25
1984	46,271,000	7.49
1983	41,786,000	6.78
1982	32,397,255	4.79
1981	32,094,041	6.18

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 108,022,000	$ 96,305,000
Cost of sales	51,729,000	46,788,000
Expenses	42,601,000	37,513,000
Interest expense	1,258,000	536,000
Currency gains	(148,000)	(48,000)
Income before taxes	$ 12,582,000	$ 11,816,000
Income taxes	3,523,000	3,408,000
Net Income	$ 9,059,00	$ 8,408,000

* Included in Costs and Expenses, Depreciation and Amortization: $8,175,000 in 1985 and $6,468,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 8,703,000	$ 672,000
Accts. receiv., net	22,025,000	15,478,000
*Inventories	22,559,000	18,450,000
Prepaid expenses	6,474,000	4,883,000
Current Assets	$ 59,761,000	$ 39,483,000
#Fixed assets	61,231,000	36,762,000
Other assets	1,541,000	675,000
Total Assets	$ 122,533,000	$ 76,920,000

Liabilities

Notes payable	$ 2,712,000	$ 5,121,000
Long-term debt, curr.	93,000	40,000
Accts. payable	6,041,000	5,047,000
Accruals	7,267,000	7,727,000
Income taxes	2,617,000	—
Curr. Liabilities	$ 18,730,000	$ 17,935,000
Long-term debt	40,194,000	8,147,000
Deferred inc. taxes	6,199,000	4,567,000
+ Common stock	19,589,000	17,243,000
Retained earnings	38,855,000	31,230,000
Accum. trans. adjust.	(1,034,000)	(2,202,000)
Total Liabilities & Shareholders' Equity	$ 122,533,000	$ 76,920,000

* At lower of cost (FIFO) or market.

# Less accumulated depreciation.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.65	12.27
%Net Income to Sales	8.39	8.73
%Net Income to Equity	15.78	18.17
Sales to Inventories	4.79	5.22
Debt to Equity	0.70	0.29
Working Capital	$41,031,000	$21,548,000
Current Ratio	3.19	2.20
Shareholders' Equity	$57,410,000	$46,271,000

Siltec Corporation

190 Independence Drive
Menlo Park, California 94025
(415) 365-8600

Officers: Robert E. Lorenzini, chairman of the board; Stanley T. Myers, chief exec. officer & president; Bradford M. Wait, v.p.-finance, treasurer & secretary; Elizabeth A. DePaola, asst. corporate secretary.

Directors: Robert E. Lorenzini, chairman; William D. Jordan, Thaddeus N. Taube, Paul A. Araquistain, George H. Bruns, Robert C. Wilson, Stanley T. Myers.

Divisions:

Siltec Silicon
423 National Avenue
Mountain View, California 94043
(415) 968-9359

Manufactures and markets silicon products including polished silicon wafers, single crystal ingots and related products.

Cybeq Systems
190 Independence Drive
Menlo Park, California 94025
(415) 328-7600

Manufactures instruments and equipment for the semiconductor industry including equipment for the production of silicon materials and instrumentation for the handling, testing and sorting of silicon wafers.

Joint Venture(s):

Rhone-siltec
Mantes-la-Jolie, France

Manufactures silicon wafers for the West European market.

Transfer Agent(s):

Bank of America, NT&SA
San Francisco, California & New York, New York

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SLTC (NASDAQ)

Number of Employees:

1985	420	1984	860

Plant Footage:

1985 258,000 sq. ft.

Sales and Earnings

	Net Sales †	Net Income
1985	$ 35,915,000	$ (14,263,000)
1984	64,801,000	2,771,000
1983	44,145,000	1,126,000
1982	39,397,000	(520,000)
1981	39,563,000	(1,495,000)

	No. of Com. Shares ‡	Earn. per Share ‡
1985	3,673,000	$ —
1984	3,563,000	0.78
1983	3,421,000	0.33
1982	2,808,000	—
1981	2,817,000	—

(Loss)

† Of continuing operations only.

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 16,700,000	$ 4.55
1984	30,963,000	8.43
1983	25,926,000	7.45
1982	17,357,000	6.18
1981	17,868,000	6.34

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 35,915	$ 64,801
Cost of sales	37,522	46,285
Expenses	12,216	12,922
Interest expense	1,159	1,687
Other income	(4,600)	(650)
Prov. for facility consol.	7,756	—
Inc. (loss) bef. taxes	$ (18,138)	$ 4,557
Income taxes (credit)	(3,875)	1,786
Net Income (Loss)	$ (14,263)	$ 2,771

* Included in Costs and Expenses, Depreciation and Amortization: $4,073,000 in 1985 and $4,386,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 245	$ 1,863
Accts. receiv., net	5,298	14,475
Long-term note receiv.	319	—
*Inventories	8,182	13,018
Inc. tax receiv.	317	—
Prepaid expenses	516	540
Current Assets	$ 14,877	$ 29,896
#Fixed assets	18,825	24,129
Note receiv.	2,500	—
Total Assets	$ 36,202	$ 54,025

Liabilities
(000's)

Notes payable	$ 2,100	$ 328
Industr. rev. bonds	645	590
Cap. lease oblig., curr.	1,713	1,916
Accts. payable	2,320	2,248
Accrued payroll	1,117	2,163
Accrued facil. consol. reserves	1,191	—
Other accruals	900	1,422
Accrued inc. taxes	—	474
Income taxes	—	1,937
Curr. Liabilities	$ 9,986	$ 11,078
Long-term debt	8,903	9,569
Deferred inc. taxes	613	2,415
+ Common stock	193	193
Add. paid-in capital	19,302	19,302
Retained earnings	(2,795)	11,468
Total Liabilities & Shareholders' Equity	$ 36,202	$ 54,025

* At lower of cost (FIFO) or market.

# Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.03
%Net Income to Sales	—	4.28
%Net Income to Equity	—	8.96
Sales to Inventories	4.39	4.98
Debt to Equity	0.76	0.38
Working Capital	$ 4,891,000	$18,818,000
Current Ratio	1.49	2.70
Shareholders' Equity	$16,700,000	$30,963,000

The Singer Company

P.O. Box 10151
8 Stamford Forum
Stamford, Connecticut 06904
(203) 356-4200

Officers: Joseph B. Flavin, chairman of the board & chief executive officer; William F. Schmied, president & chief operating officer; Robert J. Lynch, sr. v.p.-corporate administration; F. Gordon Bitter, sr. v.p., chief financial officer & controller; Neil J. Morrow, group v.p.-sewing & consumer durables group; Terry W. Heil, group v.p.-government products group; John L. Duncan, group v.p.-electronic mechanical products group; vice presidents: Leo G. Blatz and John F. Naylor, sewing & consumer dirables; L. John Clark, John J. Brett, pres.-Kearfott Division, Maurice Center, pres.-Librascope Division.; Theron S. Hoffman, Jr., personnel & organization; Thomas L. Elliott, Jr., corporate relations; Austin J. Greene, general tax counsel; Wesley K. Brown, pres.-HRB-Singer, Inc., Jay Hoffman, engineering; Stephen J. King, pres.-North American Sewing Products Division; Larry F. Neely, pres.-Meter Division; Ernest J. Szilagyi, planning; William D. Turner, pres.-Link Flight Simulation Division; Paul D. O'Connor, Jr., sr. v.p. & gen. counsel; Ronald F. Bish, pres.-Controls Division; Francis F. Nicastro, treasurer; Phillip A. Watson, v.p. & asst. general counsel; Ralph K. Kessler, secretary & general counsel

Directors: Joseph B. Flavin*, chairman; Randolph W. Bromery*, Lt. Gen. Kelly H. Burke USAF, (ret), Francis E. Ferguson, Arthur H. Fredston, Robert P. Jensen*, Lloyd L. Kelly*, Archibald E. MacKay, Donald E. Meads*, Bernard J. O'Keefe*, Arthur J. Santry, Jr.*, William F. Schmied, Delbert C. Staley

* Member of the Executive Committee

Areas of Work: Government Products include the aerospace and marine systems product area, and educational products and services. Aerospace and Marine Systems operations include a broad line of navigation systems for aircraft, spacecraft, and marine vessels; guidance systems for missiles; anti-submarine warfare systems; aircraft, spacecraft, marine and industrial simulators; large-screen display systems, electronic intelligence systems, telecommunications, terminals, and related systems and products. Products manufactured Consumer include sewing machines, cabinets and sewing aids, fabrics, sewing options, and floor care equipment. Controls, meters, and wood furniture and motor products such as vacuum cleaners and power tools manufactured for Sears Roebuck & Co.

Divisions and Subsidiaries:

Government Products

Aerospace and Marine Systems

Kearfott Division
1150 McBride Avenue
Little Falls, New Jersey 07424
(201) 785-6000

Products: Airborne inertial Doppler and hybrid navigation and guidance systems; time ordered ranging systems; analog computers; digital computers; analog-digital/digital-analog converters; airborne multiplex systems; digitally controlled support equipment; test equipment platforms, gyros, accelerometers and inertial packages; electronic assemblies, servomechanism components including synchros, resolvers, sevomotors and tachometers, synchronous and stepping motors; electromechanical and hydraulic actuators.

HRB-Singer, Inc.
P.O. Box 60
Science Park Road
State College, Pennsylvania 16804
(814) 238-4311

ESM Systems which includes: system engineering and analysis, airborne reconnaissance systems, fixed and mobile signal processing, graphic computer analysis techniques, special signal analysis techniques, quick reaction capability, special purpose displays and EW simulation.

Librascope Division
833 Sonora Avenue
Glendale, California 91201
(818) 244-6541

Products: Naval weapon control systems, underwater acoustic systems, computing and data processing systems for shipborne antisubmarine warfare applications; mobile command/control and communications systems for the army; fixed station command/control systems for air defense including real-time displays ranging from CRT to very large screen; computer peripheral equipment such as disc memories and encoders.

Link Flight Simulation Division
Binghamton, New York 13902
(607) 772-3011

Products: Simulators for aircraft flight and mission, missile and spacecraft, and visual; general aviation flight trainers.

Link Simulation Systems Division
11800 Tech Road
Montgomery Industrial Park
Silver Spring, Maryland 20904
(301) 622-4400

Products: Simulators for ASW flight and tactics, helicopter, locomotive, ships handling, VTOL trainers for aircraft flight, cockpit procedures, flight procedures, Part task, radar, submarine, power generating station simulators.

SimuFlight Division
P.O. Box 619119
D/FW Airport, TX 75261
(214) 456-622-4400

Products: Flight simulators for corporate commercial aviation.

Education Division
8 Stamford Forum
Stamford, Connecticut 06904
(203) 356-4200

Products manufactured for the consumer.

Consumer Products

Motor Products Division
Pumpkington Highway
P.O. Box 35
Pickens, South Carolina 29671
(803) 878-6331

Portable electronic power tools, aluminum die castings, small universal motors, floor care products.

Meter Division
13500 Philmont Avenue
Philadelphia, Pennsylvania 19116
(215) 673-2100

Products: Flow meters, flow control instruments, large gas meters, gas equipment accessory apparatus, turbine meters, laboratory apparatus.

Controls Division
9655 W. Soreng Avenue
Schiller Park, Illinois 60176
(312) 625-9000

Products: Programmers, timers, liquid level controls, liquid flow controls, solenoids, synchronous motors, snap switches. (Controls for automobiles, washing machines, dryers, dishwashers, vending machines, microwave ovens, display signs, humidifiers, and numerous industrial applications.)

Furniture Division
880 Johnson Ferry Road N.E.
Atlanta, Georgia 30342
(404) 256-3850

Wood furniture, including dining and bedroom suites, occasional tables and specialized units to contain home electronic equipment.

Sewing & Related Products
North American Sewing Products Division
135 Raritan Center Parkway
Edison, New Jersey 08837
(301) 632-6700

Europe Africa & Middle East Division
Belmont Road
Maidenhead, Berkshire SL6 6JN
England

Asia Division
593 Havelock Road #03-00
Singapore 0316

Latin America Division
8525 N.W. 53rd Terrace
Miami, Florida 33166
(305) 592-9201

Transfer Agent(s):

The First Jersey National Bank
Stock Transfer Division
One Exchange Place
Jersey City, New Jersey 07302

Crocker National Bank (common & $3.50 preferred stock)
P.O. Box 38005
San Francisco, California 94138

Stock Exchange(s): New York, Pacific, Paris, London.

Ticker Symbol: SMF

Number of Employees:

1985	46,000	1982	58,000
1984	50,000	1981	66,000
1983	55,000		

Sales and Earnings

	Net Sales + (000's)	Net income ‡ (000's)
1985	$ 2,416,300	$ 82,300
1984	2,518,800	65,100
1983	2,476,600	31,600
1982	2,523,400	(2,900)
1981	2,704,000	38,400

	No. of Com. Shares	Earn. per Share ‡†
1985	17,265,147	$ 4.30
1984	17,089,706	3.41
1983	16,935,406	1.52
1982	16,621,004	—
1981	16,612,221	1.93

(Loss)
+ Of continuing operations only.
‡ Including extraordinary gains of $15,400,000 ($0.88 per share) in 1983 and $18,900,000 in 1982.
† Based on the monthly average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Sewing & related products	$ 567,900	$ 748,200
Furniture	133,300	145,700
Power tools & floor care	182,400	217,500
Controls prods.	145,600	143,400
Meter prods.	108,100	89,300
Aerospace & marine sys.	1,211,400	1,110,500
Education	67,600	64,200
Total	$ 2,416,300	$ 2,518,800

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.30	—	—
1984	0.10	—	—
1983	0.10	—	—
1982	0.10	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 403,400,000	$ 23.36
1984	321,600,000	18.82
1983	270,600,000	15.98
1982	259,000,000	15.58
1981	268,600,000	16.17

‡ After allowing for preferred stock at total liquidation preference value.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net Sales	$ 2,416,300	$ 2,518,800
Cost of sales	1,937,000	1,918,200
Expenses	347,400	454,000
Other income	(32,700)	(7,900)
Inc. of unconsol. subsid.	(2,100)	(4,100)
Interest expense	73,400	77,200
Income before taxes	$ 93,300	$ 81,400
Income taxes	11,000	31,100
Net Income	$ 82,300	$ 50,300
Extraord. gain	—	14,800
Net Income & Extraodinary Gain	$ 82,300	$ 65,100

* Included in Costs and Expenses, Depreciation and Amortization: $67,700,000 in 1985 and $62,200,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 25,700	$ 57,600
Accts. receiv., net	394,300	441,300
*Inventories	404,400	405,300
Prepaid expenses	10,000	11,500
Current Assets	$ 834,400	$ 915,700
Investments	75,800	81,700
#Fixed assets	380,600	380,100
Other assets	101,300	92,500
Total Assets	$ 1,392,100	$ 1,470,000

Liabilities
(000's)

	1985	1984
Notes & loans payable	$ 82,100	$ 122,500
Long-term debt, curr	16,800	14,500
Accts. payable	212,100	233,500
Accruals	159,900	190,600
Income taxes	2,800	14,100
Curr. Liabilities	$ 473,700	$ 575,200
Long-term debt	300,100	322,900
Other liabilities	54,700	88,200
+ Preferred stock	22,000	22,400
+ + Common stock	172,700	170,900
Add. paid-in capital	41,400	40,200
Retained earnings	361,500	289,600
Eq. adjust. from curr. trans.	(34,000)	(39,400)
Total Liabilities & Shareholders' Equity	$ 1,392,100	$ 1,470,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ No par value
+ + $10 par value

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	3.86	3.23
%Net Income to Sales	3.41	2.00
%Net Income to Equity	14.60	10.40
Sales to Inventories	5.98	6.21
Debt to Equity	0.71	0.95
Working Capital	$360,700,000	$340,500,000
Current Ratio	1.76	1.59
Shareholders' Equity	$563,600,000	$483,700,000

Sippican Inc.

(formerly Sippican Ocean Systems, Inc.)

7 Barnabas Road
Marion, Massachusetts 02738
(617) 748-1160

Officers: Richard I. Arthur, president & chief executive officer; Richard W. Bixby, v.p.-engineering; David P. Gagnon, v.p.-new products; Stephen S. Galliker, v.p.-finance & treasurer; Henry C. Hall, v.p. & controller; John Kelso, v.p.-manufacturing; Frank E. Maddocks, v.p.-quality control; William E. Walsh, Jr., v.p.-marketing & program management; Richard Testa, secretary.

Directors: Thayer Francis, Jr., chairman; Robert S. Ames, Richard I. Arthur, Alfred M. Berticchi, Ruel C. Mercure, Jr., Daniel Semels, Alfred J. Whittle, Jr.

Areas of Work: The company designs, develops, manufactures and markets expendable oceanographic instrumentation and associated support systems, sonobuoys, acoustic and radio frequency communications devices and mine actuators, and is developing underwater training targets, for use primarily by the United States and other free world navies, as well as by the scientific community. The Company's products are utilized in antisubmarine and mine warfare and for submarine command, control and communication. Sippican's expendable temperature probes are used to predict sonar detection ranges, a critical input to tactical deployment of antisubmarine warfare forces. The Company's products are also employed by oceanographers to compute current flow, ocean-atmosphere heat transfer and other variable physical phenomena, in the study of energy transport in the ocean, and in other scientific applications.

Transfer Agent(s):

Bank of Boston
P.O. Box 1865
Boston, Massachusetts 02105

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SOSI (NASDAQ)

Number of Employees:

1985	553	1982	333
1984	375	1981	279
1983	344		

Plant Footage:

1985	220,000 sq. ft.	1982	124,000
1984	210,000	1981	124,000
1983	124,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 32,063,000	$ 2,113,000
1984	32,057,000	4,931,000
1983	27,043,000	2,625,000
1982	19,863,000	1,753,000
1981	15,808,000	1,345,000

	No. of Com Shares #	Earn. per Share #
1985	4,121,000	$ 0.51
1984	4,148,000	1.19
1983	3,996,000	0.66
1982	3,415,000	0.51
1981	2,946,000	0.46

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	5-for-4
1984	—	—	—
1983	—	—	—
1982	—	—	5-for-4

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 24,409,000	$ 5.92
1984	21,779,000	5.25
1983	19,087,000	4.78
1982	9,303,000	2.72
1981	7,550,000	2.56

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Revenues	$ 32,063,171	$ 32,056,696
Cost of revenues	20,460,693	19,715,482
Expenses	8,318,638	7,266,149
Other income	(191,215)	(491,352)
Income before taxes	$ 3,475,055	$ 5,566,417
Income taxes	1,362,000	635,000
Net Income	$ 2,113,055	$ 4,931,417

* Included in Costs and Expenses, Depreciation and Amortization: $2,521,082 in 1985 and $1,720,650 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 4,302,527	$ 4,332,452
Market. securities	—	485,000
Accts. receiv., net	7,510,229	6,546,822
*Inventories	3,455,841	2,180,088
Prepaid expenses	80,438	112,599
Current Assets	$ 15,349,035	$ 13,656,961
#Fixed assets	17,208,428	16,010,927
Total Assets	$ 32,557,463	$ 29,667,888

Liabilities

	1985	1984
Long-term debt, curr	$ 470,000	$ 720,000
Accts. payable	1,962,812	1,782,514
Accrued payroll	712,035	962,750
Profit sharing	714,256	468,813
Commissions	546,705	440,148
Inc. taxes payable	399,000	—
Curr. Liabilities	$ 4,804,808	$ 4,374,225
Deferred inc. taxes	2,094,000	1,795,000
Long-term debt	1,250,000	1,720,000
+ Common stock	4,350,996	3,407,955
Add. paid-in capital	8,157,562	8,608,479
Retained earnings	14,343,000	12,229,945
Treasury stock	(2,442,903)	(2,467,716)
Total Liabilities & Shareholders' Equity	$ 32,557,463	$ 29,667,888

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $1 par value

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	10.84	17.36
%Net Income to Sales	6.59	15.38
%Net Income to Equity	8.66	22.64
Sales to Inventories	9.28	14.70
Debt to Equity	0.07	0.11
Working Capital	$10,544,227	$9,282,736
Current Ratio	3.19	3.12
Shareholders' Equity	$24,408,655	$21,778,663

SL Industries, Inc.

(formerly SGL Industries, Inc.)

Suite 201
Three Greentree Centre
Marlton, New Jersey 08053
(609) 596-7800

Officers: John C. Instone, president & chief exec. officer; James E. Morris, treasurer; Robert T. Cross, v.p.-resource management & secretary; William J. Blewis, asst. secretary; Charles A. Shipley, v.p.-finance; Gordon C. Mason, v.p.-corporate development; Raymond R. Wright, v.p.-operations; S. James Stansky, dir.-personnel; William M. Landolt, int'l. sales mgr.; Mona A. Liss, communications mgr.; Michael J. Froggatt, mgr.-information services; Robert C. Alexander, corporate controller.

Directors: Byrne Litschgi, chairman; William M. Hess, Grant Heilman, Donald J. Lloyd-Jones, John C. Instone, Marlin Miller, Jr., Mandell Shimberg.

Areas of Work: Electrical and electronic products include electromagnetic indicator wheels and meters, gyro windings, spark plugs and jet engine igniters for the avionics industry, power conditioners, voltage surge protectors, electric feedthroughs, and observation ports.

Metal products include grinding wheels and abrasives, specialty pipe flanges, pipe bends, tank nozzles, and the piping systems of chemical and food processing plants.

Plastic products include a variety of high tolerance parts produced by many processes including injection molding; profile and sheet extrusion; and casting of crystal clear sheet, tube and rod.

Divisions:

Electrical Products Group
SL Auburn Inc
89 York Street
Auburn, New York 13021
(315) 252-9501

SL Waber Electric
300 Harvard Avenue
Westville, New Jersey 08093
(609) 456-5400

SL Montevideo Technology, Inc.
Montevideo, Minnesota

Metalworking Group
SL Abrasives
Cave Hill Drive
Carlisle, Pennsylvania 17013
(717) 234-3471

SL Piping Systems
Newport, Delaware

SL LUBE/Systems
Elmwood Park, New Jersey
(201) 791-6200

SL Modern Hard Chrome, Inc
Pennsauken & Camden, New Jersey
(609) 665-8600

Plastics Group
SL Plastics
P.O. Box 211
Nazareth, Pennsylvania 18064
(215) 759-0280

SL Ameritech Plastics
Patterson, New York

SL International
Marlton, New Jersey

Transfer Agent(s):

Mellon Bank (East) N.A.
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York, Philadelphia

Ticker Symbol: SL

Number of Employees:

1985	1,024	1984	883

Sales and Earnings †

	Net Sales +	Net Income
1985	$ 67,845,000	$ 4,304,000
1984	59,475,000	3,493,000
1983	43,875,000	1,706,000
1982	46,684,000	3,005,000
1981	43,626,000	2,903,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	3,576,000	$ 1.21
1984	3,565,000	0.98
1983	4,266,000	0.40
1982	4,359,000	0.69
1981	4,329,000	0.67

† Restated to include operations of Montevideo Technology, Inc., acquired on a pooling of interests basis
+ Of continuing operations only
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock splits

Revenues By Line of Business
(000's)

	1985	1984
Electrical prods	$ 44,530	$ 38,945
Metalworking	17,060	16,420
Plastics	6,255	4,110
Total	$ 67,845	$ 59,475

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.20	—	
1984	0.18	6%	3-for-2
1983	0.17	6%	3-for-2
1982	0.15	6%	
1981	0.15	6%	

+ Adjusted to reflect stock dividends and stock splits

Common Stock Equity ×

	Total Equity	Equity Per Share ‡
1985	$ 25,283,000	$ 7.09
1984	21,705,000	6.09
1983	19,003,000	4.45
1982	24,128,000	5.54
1981	21,693,000	5.01

× Restated
‡ Based on the average number of shares outstanding adjusted to reflect stock dividends and stock splits

Income Account

Year ended July 31	1985	1984 ‡
Net sales	$ 67,845,000	$ 59,475,000
Cost of sales	44,066,000	39,778,000
Expenses	14,535,000	12,087,000
Depreciation	1,304,000	1,051,000
Oper. profit	$ 7,940,000	$ 6,559,000
Interest income	(196,000)	(127,000)
Interest expense	458,000	215,000
Other expense		50,000
Income before taxes	$ 7,678,000	$ 6,421,000
Income taxes	3,634,000	3,021,000
Inc.-cont. oper.	$ 4,044,000	$ 3,400,000
Inc.-discont. oper.	260,000	93,000
Net Income	$ 4,304,000	$ 3,493,000

Assets

As of July 31	1985	1984 ‡
Cash	$ 1,010,000	$ 2,235,000
Trade receiv., net	8,486,000	8,656,000
*Inventories	10,863,000	10,070,000
Prepaid expenses	350,000	331,000
Current Assets	$ 20,709,000	$ 21,292,000
#Fixed assets	13,358,000	9,191,000
Defer. charges & other assets	1,112,000	682,000
Intangibles	984,000	2,232,000
Notes receiv.	1,831,000	150,000
Total Assets	$ 37,994,000	$ 33,547,000

Liabilities

	1985	1984 ‡
Long-term debt, curr.	$ 677,000	$ 241,000
Accts. payable	2,500,000	3,426,000
Accruals	3,413,000	3,723,000
Income taxes	972,000	1,027,000
Curr. Liabilities	$ 7,562,000	$ 8,417,000
Long-term debt	4,226,000	2,936,000
Deferred inc. taxes	440,000	367,000
Retire. benefits	483,000	122,000
+Common stock		
Add. paid-in capital		
Retained earnings		
Treasury stock		
Total Liabilities & Shareholders' Equity	$ 37,994,000	$ 33,547,000

‡ Restated
* At lower of cost (FIFO or average) or market
# Less accumulated depreciation and amortization
+ $0.20 par value

Statistical Summary

%Net Income to Equity	17.02	16.09
Sales to Inventories	6.25	5.91
Debt to Equity	0.19	0.15
Working Capital	$13,147,000	$12,875,000
Current Ratio	2.74	2.53
Shareholders' Equity	$25,283,000	$21,705,000

SmithKline Beckman Corporation

One Franklin Plaza
P.O. Box 7929
Philadelphia, Pennsylvania 19101
(215) 751-4000

Note: On March 4, 1982, SmithKline Corporation merged with Beckman Instruments, Inc. to form SmithKline Beckman Corporation.

Officers: Robert F. Dee, chairman of the board; Henry Wendt, president & chief executive officer; Donald van Roden, Arnold O. Beckman, vice chairmen; exec. v.p.'s: Alan J. Dalby, Therapeutic Products Group & president-SmithKline & French Laboratories; George W. Ebright-Diagnostic & Analytical Products Group; Kurt W. Reiss, corporate finance; vice presidents: Norman H. Blanchard, president-SmithKline Animal Health Products; Robert J. Byrnes, president-SmithKline Chemicals; John F. Chappell, president-SmithKline & French Laboratories-International; Thomas M. Collins, corporate affairs;Gavin S. Herbert, president-Eye and Skin Care Products; Richard V. Holmes, secretary & general counsel; William E. Learnard, president-SmithKline Consumer Products; Kurt W. Reiss, corporate finance; Joseph C. Gardner, controller; Richard W. Rodney, corporate technical services; Louis T. Rosso, president-Beckman Instruments, Inc.; Stanley T. Crooke, president-Research & Development, Smithkline & French Laboratories; James H. Cavanaugh, president, SmithKline & French Laboratories-U.S.; Harry C. Groome, III, president, SmithKline Bio-Science Laboratories; William C. Shepherd, president-Allergan Pharmaceuticals, Inc.; Joseph C. Gardner, controller; James E. Hamblen, treasurer.

Directors: Samuel H. Ballam, Jr., Arnold O. Beckman, Carter L. Burgess, Alan J. Dalby, Carolyne K. Davis, Robert F. Dee, William R. Grant, Gavin S. Herbert, Andrew L. Lewis, Jr., Francis P. Lucier, Samuel P. Martin, R. Gordon McGovern, Donald F. McHenry, Ralph A. Pfeiffer, Jr., Thomas M. Rauch, Donald van Roden, Henry Wendt

Areas of Work: Engaged in the fields of health care and high technology. Markets a broad line of prescription and proprietary products for human and animal health as well as diagnostic and analytical products and services that facilitate the detection and treatment of disease and the advancement of biomedical research.

Divisions:

Therapeutics Group

Ethical Pharmaceutical Products
SmithKline Animal Health Care Products
SmithKline Consumer Health Care Products
Eye and Skin Care Products

Diagnostic/Analytical Group

SmithKline Clinical Laboratories
Beckman Analytical Systems
Beckman Diagnostic Systems
Geometric Data
SmithKline Diagnostics

Subsidiaries:

Allergan Pharmaceuticals, Inc
Beckman Instruments, Inc
Laboratoires Smith Kline & French S.A. (France)
Menley & James Laboratories, Ltd
Norden Laboratories, Inc
SK&F Lab Co
SK&F Co
SmithKline & French Laboratories Limited (United Kingdom)
SmithKline Bio-Science Laboratories, Inc
SmithKline & Fujisawa KK

Joint Venture:

Yuhan-Smith Kline Co. Ltd

SmithKline Beckman Corporation

Transfer Agent(s):

The Philadelphia National Bank
P.O. Box 13833
Philadelphia, Pennsylvania 19101

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Security Pacific National Bank
P.O. Box 60228, Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): New York, Pacific, Philadelphia, Swiss

Ticker Symbol: SKB

Number of Employees:

1985	32,824	1982	30,438
1984	30,465	1981	28,555
1983	31,317		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 3,257,000	$ 514,000
1984	2,949,000	504,000
1983	2,835,000	490,000
1982	2,643,000	455,000
1981	2,306,000	406,000

	No. of Com. Shares #	Earn. per Share #
1985	78,400,000	$ 6.56
1984	80,800,000	6.23
1983	83,100,000	5.89
1982	82,600,000	5.51
1981	82,400,000	4.93

+ Of continuing operations only
# Based on the average number of common shares outstanding

Revenues By Line of Business

	1985	1984
Therapeutics	$ 2,295,700	$ 2,119,100
Diagnostic/Analytical	960,900	830,100
Total	$ 3,256,600	$ 2,949,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.85	—	
1984	2.80	—	
1983	2.65	—	
1982	2.39	—	
1981	2.12	—	

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	$ 2,268,000	$ 29.34
1984	2,069,000	26.09
1983	2,055,000	24.68
1982	1,841,000	22.21
1981	1,552,000	18.87

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,256,600	$ 2,949,200
Cost of sales	1,200,200	1,031,200
Expenses	1,328,600	1,218,000
Interest income	(68,200)	(84,200)
Interest expense	37,700	46,600
Other expense	1,600	24,900
Income before taxes	$ 756,700	$ 712,700
Income taxes	242,300	212,400
Inc. - cont. oper.	$ 514,400	$ 500,300
Inc. - discont. oper.	—	3,300
Net Income	$ 514,400	$ 503,600

* Included in Costs and Expenses, Depreciation and Amortization: 133,400,000 in 1985 and $109,100,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 772,000	$ 584,900
Accts. receiv., net	684,600	601,600
*Inventories	498,200	462,400
Other curr. assets	155,600	96,000
Current Assets	$ 2,110,400	$ 1,744,900
Lease receiv.	46,200	67,500
Investments	92,600	172,200
#Fixed assets	1,285,300	1,093,000
Intangibles	198,000	116,800
Total Assets	$ 3,732,500	$ 3,194,400

Liabilities
(000's)

	1985	1984
Notes payable	$ 186,000	$ 130,500
Accts. payable	159,500	129,000
Accrued comp.	87,600	61,900
Accruals	238,000	177,800
Income taxes	416,100	334,700
Curr. Liabilities	$ 1,087,200	$ 833,900
Long-term debt	102,400	87,000
Deferred inc. taxes	72,100	49,100
Other liab.	100,300	60,200
Minority interest	102,400	95,300
+ Common stock	20,800	20,800
Add. paid-in capital	234,200	237,000
For. curr. trans.	(64,800)	(112,400)
Retained earnings	2,439,900	2,149,100
Treasury stock	(362,000)	(225,600)
Total Liabilities & Shareholders' Equity	$ 3,732,500	$ 3,194,400

* At lower of cost (average & FIFO) or market.
# Less accumulated depreciation
+ $0.25 par value.

Statistical Summary

% Income bef. Taxes to Sales	23.24	
% Income to Sales	15.80	
% Net Income to Equity	22.68	24.34
Sales to Inventories	6.54	6.38
Debt to Equity	0.13	0.11
Working Capital	$1,023,200,000	$ 911,000,000
Current Ratio	1.94	2.09
Shareholders' Equity	$2,268,100,000	$2,068,900,000

Snap-on Tools Corporation

2801 80th Street
Kenosha, Wisconsin 53141
(414) 656-5200

Officers: William B. Rayburn, chairman & chief executive officer; Marion F. Gregory, president & chief operating officer; Earl B. Reed, sr. v.p.-marketing; Harry W. Fry, sr. v.p.-administration; Jay W. Schultz, v.p.-research & engineering; George J. Bartl, Jr., v.p.-Eastern Division; James R. Askeris, controller; J. Ralph Brady, v.p.-Western Division; Reginald R. Gadsby, v.p.-international; Allen L. Hoftiezer, v.p.-Central Division; Lowell L. Larson, sr. v.p.-finance; Donald E. Lyons, v.p.-employee relations; Michael F. Montemurro, treasurer; Joseph R. Olson, secretary & general counsel; Jay H. Schnabel, v.p.-marketing services; Robert C. Stenman, v.p.-planning & information services; Hy Weiner, sr. v.p.-manufacturing; James L. Somers, v.p.-corporate quality; Michael G. Hassett, v.p.-national sales; Charles J. Labanowsky, asst. secretary.

Directors: William B. Rayburn, chairman of the board; Marion F. Gregory, Harry W. Fry, Earl B. Reed, Roger G. DeLong, Arthur L. Kelly, James M. Tait, Robert A. Cornog, Lowell L. Larson, Daniel J. Krumm, George W. Mead.

Areas of Work: Manufactures hand tools for the professional automotive mechanic and industrial tool user, electronic diagnostic equipment, sheet metal tool chests and cabinets, wheel aligning and balancing equipment and air powered tools.

Subsidiaries:

Snap-on Tools of Canada Ltd.
Toronto, Ontario, Canada
Manufactures tools, tool chests and cabinets.

Herramientas Snap-on de Mexico, S.A.
Vallejo, Mexico
Distributes U.S. Mexican manufactured products throughout Mexico.

Snap-on AG
Zug, Switzerland

Snap-on Tools de Mexico, S.A. de C.V.
Vallejo, Mexico
Manufactures basic tools.

Snap-on Tools International, Ltd. (FSC)
Kenosha, Wisconsin
Foreign sales corporation.

Snap-on Tools Limited
Kettering Northant's, England
Distributes U.S. and Canadian manufactured products throughout England.

Snap-on Tools (Europe) Ltd.

Snap-on Tools GmbH
Willsbach, West Germany

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SNA

Number of Employees:

1985	6,209	1982	5,253
1984	5,906	1981	6,126
1983	5,448		

Plant Footage:

1985	1,975,500 sq. ft.	1982	1,734,900
1984	1,886,300	1981	1,758,700
1983	1,885,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 591,278,000	$ 59,732,000
1984	539,933,000	59,629,000
1983	454,748,000	42,974,000
1982	430,521,000	37,301,000
1981	441,514,000	40,013,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	20,436,593	$ 2.92
1984	20,351,512	2.93
1983	20,282,279	2.12
1982	20,221,224	1.84
1981	20,164,812	1.98

‡ Based on the average number of common shares outstanding

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.16	—	
1984	0.93		—
1983	0.85		—
1982	0.84		—
1981	0.84		—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 337,328,000	$ 16.51
1984	298,574,000	14.67
1983	258,941,000	12.77
1982	232,594,000	11.50
1981	213,057,000	10.57

‡ Based on the average number of common shares outstanding

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 591,278,000	$ 539,933,000
Cost of sales	293,222,000	256,717,000
Expenses	186,236,000	169,168,000
Oper. profit	$ 111,820,000	$ 114,048,000
Other income	(2,715,000)	(3,428,000)
Interest expenses	2,703,000	2,747,000
Income before taxes	$ 111,832,000	$ 114,729,000
Income taxes	52,100,000	55,100,000
Net Income	$ 59,732,000	$ 59,629,000

* Included in Costs and Expenses, Depreciation and Amortization: $12,787,000 in 1985 and $11,178,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 39,806,000	$ 43,558,000
Accts. receiv., net	197,689,000	164,901,000
*Inventories	113,061,000	112,664,000
Prepaid expenses	10,257,000	10,175,000
Current Assets	$ 360,813,000	$ 331,298,000
#Fixed assets	98,134,000	86,529,000
Other assets	907,000	1,095,000
Total Assets	$ 459,854,000	$ 418,922,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 2,517,000	$ 2,512,000
Accts. payable	20,480,000	19,922,000
Accruals	35,737,000	37,228,000
Deposits	33,772,000	29,896,000
Curr. Liabilities	$ 92,506,000	$ 89,558,000
Long-term debt	17,674,000	20,190,000
Deferred income taxes	12,346,000	10,600,000
+ Common stock	20,473,000	20,378,000
Add. paid-in capital	14,524,000	12,177,000
Retained earnings	310,490,000	274,458,000
Currency translation adjustment	(8,159,000)	(8,439,000)
Total Liabilities & Shareholders' Equity	$ 459,854,000	$ 418,922,000

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	18.91	21.25
%Net Income to Sales	10.10	11.04
%Net Income to Equity	17.71	19.97
Sales to Inventories	5.23	4.79
Debt to Equity	0.06	0.08
Working Capital	$268,307,000	$241,740,000
Current Ratio	3.90	3.70
Shareholders' Equity	$337,328,000	$298,574,000

Solid Controls, Inc.

6925 Washington Avenue South
Minneapolis, Minnesota 55435
(612) 941-6110

Officers: Ronald A. Kokesh, president; Edward A. Cashin, executive vice president; John L. Rodgers, Jr., v.p.-engineering; Thomas R. Kelly, treasurer; A. Larry Katz, secretary.

Directors: Ronald A. Kokesh, Edward A. Cashin, A. Larry Katz, Thomas R. Kelly.

Areas of Work: Designs and manufactures a widely diversified line of solid state controls for the industrial machine industry.

Transfer Agent(s):

Marquette Bank Minneapolis, N.A.,
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	90	1982	50
1984	80	1981	80
1983	87		

Plant Footage:

1985	31,000 sq. ft.	1982	29,000
1984	31,000	1981	29,000
1983	29,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 8,837,093	$ 1,126,198
1984	7,836,419	955,486
1983	3,392,748	3,429
1982	4,696,414	230,298
1981	3,999,007	(41,388)

	No. of Com. Shares †	Earn. per Share ×
1985	1,185,804	$ 0.95
1984	1,185,804	0.81
1983	1,185,804	0.01
1982	1,185,804	0.20
1981	1,185,804	

(Loss)
† Adjusted to reflect stock split.
× Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.1575		2-for-1
1984	0.10		
1983	0.10		
1982	0.10		
1981	0.10		

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 3,465,526	$ 2.92
1984	2,496,949	2.11
1983	1,663,522	1.40
1982	1,765,998	1.49
1981	1,627,361	1.37

+ Adjusted to reflect stock split.

Income Account *

Year ended March 31	1985	1984
Net sales	$ 8,837,093	$ 7,836,419
Cost of sales	4,920,157	4,323,779
Expenses	2,103,396	1,845,894
Other income	(109,602)	(110,363)
Income before taxes	$ 1,923,142	$ 1,777,109
Income taxes	796,944	821,623
Net Income	$ 1,126,198	$ 955,486

* Included in Costs and Expenses, Depreciation: $67,122 in 1985 and $52,268 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 816,546	$ 1,147,127
Accts. receiv., net	1,474,504	1,521,988
Investment	69,873	96,322
*Inventories	1,469,802	1,076,467
Prepaid expenses	26,685	20,913
Current Assets	$ 3,857,410	$ 3,862,817
Marketable securities	220,289	191,146
#Fixed assets	182,898	161,919
Total Assets	$ 4,260,597	$ 4,215,882

Liabilities

	1985	1984
Accts. payable	$ 179,611	$ 301,239
Profit sharing	190,156	155,497
Income taxes	542	816,967
Accruals	424,762	390,204
Curr. Liabilities	$ 795,071	$ 1,663,907
Deferred inc. taxes		55,026
+ Common stock	59,290	29,645
Add. paid-in capital	419,118	448,763
Unrealized loss on noncurr. marketable securities	(9,886)	(39,029)
Retained earnings	2,997,004	2,057,570
Total Liabilities & Shareholders' Equity	$ 4,260,597	$ 4,215,882

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	21.76	22.68
%Net Income to Sales	12.74	12.19
%Net Income to Equity	32.50	38.27
Sales to Inventories	6.01	7.28
Working Capital	$3,062,339	$2,198,910
Current Ratio	4.85	2.32
Shareholders' Equity	3,465,526	$2,496,949

Sonar Radio Corporation

3000 Stirling Road
Hollywood, Florida 33021
(305) 981-8800

Officers: Bernard Klein, president & chairman of the board; Daniel Klein, v.p., secretary & treasurer; Leon Popiel, v.p.-mfg.

Directors: Bernard Klein, chairman; Daniel Klein, Diane Klein Judem.

Areas of Work: Markets a diversified line of electronic products, including two-way commercial portable, mobile and base radio telephones, and VHF-FM radio paging communications systems.

Transfer Agent(s):

Continental Stock Transfer & Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 1,472,061	$ (88,925)
1984	1,383,495	(147,495)
1983	1,377,150	(108,954)
1982	1,841,584	(350,045)
1981	2,227,493	20,466

	No. of Com. Shares #	Earn. per Share #‡
1985	303,703	$ —
1984	315,465	—
1983	325,921	—
1982	327,620	—
1981	336,582	0.06

(Loss)
‡ Including extraordinary credit of $3,479 ($0.01 per share) in 1981.
# Based on the weighted average number of shares outstanding.

Sonar Radio Corporation

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 642,091	$ 2.11
1984	734,375	2.33
1983	913,057	2.80
1982	1,022,703	3.12
1981	1,375,694	4.09

Based on the weighted average number of shares outstanding

Income Account *

Year ended June 30	1985	1984
Net sales	$ 1,472,061	$ 1,383,495
Rent income	769	—
Other income	708	743
Total Income	$ 1,473,538	$ 1,384,238
Cost of sales	1,119,840	1,060,047
Expenses	343,203	338,532
Interest expense	59,805	58,372
Bad debt expense	1,203	10,350
Res. & devel. costs	38,412	64,432
Net Loss	$ (88,925)	$ (147,495)

* Included in Costs and Expenses, Depreciation and Amortization: $56,515 in 1985 and $53,567 in 1984

Assets

As of June 30	1985	1984
Cash	$ 29,888	$ 15,694
Money mkt. funds	4,111	—
Accts. receiv., net	191,345	169,664
*Inventories	476,719	570,205
Prepaid expenses	12,218	7,261
Current Assets	$ 714,281	$ 762,824
#Fixed assets	753,612	763,660
Other assets	8,513	19,345
Total Assets	$ 1,476,406	$ 1,545,829

Liabilities

	1985	1984
Notes payable	$ 101,636	$ 62,463
Accts. payable	131,297	128,474
Accruals	72,785	69,577
Long-term debt, curr	20,654	33,807
Cust. credit bal	20,216	4,876
Curr. Liabilities	$ 346,588	$ 299,197
Long-term debt	477,787	498,405
Notes payable	9,940	13,852
+ Common stock	44,341	44,341
Add. paid-in capital	1,039,882	1,039,882
Retained earnings (deficit)	(205,686)	(116,761)
Treasury stock	(236,446)	(233,087)
Total Liabilities & Shareholders' Equity	$ 1,476,406	$ 1,545,829

* At lower of cost (FIFO) or market

Less accumulated depreciation

+ $0.10 par value

Statistical Summary

Sales to Inventories	3.09	2.43
Debt to Equity	0.95	0.83
Working Capital	$367,693	$463,627
Current Ratio	2.06	2.55
Shareholders' Equity	$642,091	$734,375

Sparton Corporation

2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600

Officers: John J. Smith, chairman of the board & chief executive officer; David W. Hockenbrocht, president & chief operating officer; Blair H. Thompson, vice president, treasurer & asst. secretary; Richard D. Mico, v.p. & gen. mgr.-Sparton Technology, Inc.; Lawson K. Smith, v.p. & secretary and president-Lake Odessa Machine Products, Inc.; William E. Becktell, v.p. & gen. mgr.-Sparton Manufacturing; Richard C. French, v.p. & gen. mgr.-Lake Odessa Machine Products, Inc.; Richard H. Nichols, v.p., asst. secretary, asst. treasurer and gen. mgr.-Defense Electronics Division; Lawrence R. Staszak, pres. & gen. mgr.-Sparton of Canada, Ltd.; Thomas R. Paul, v.p. and gen. mgr.-Michigan Oil Company

Directors: Marshall V. Noecker, John J. Smith, L.K. Smith, J.N. DeBoer, Blair H. Thompson, David W. Hockenbrocht, Robert J. Kirk, R. Jan Appel, Bill H. Bowerman

Divisions and Subsidiaries:

Sparton Electronics Division
2400 East Ganson Street
Jackson, Michigan 49202
(517) 787-8600

High reliability electronic, electro-mechanical and mechanical equipment for the U.S. military, particularly in oceanography, communications and navigation, sonobuoys, underwater ordnance and anti-submarine warfare

Sparton Electronics Sales Office
1215 Jefferson Davis Highway
Chrystal Gateway III, Suite 301
Arlington, Virginia 22202

Sparton Electronics Florida, Inc.
Johnson Lake Road
Box 788
DeLeon Springs, Florida 32028
(904) 985-4631

Sparton Indiana, Inc.
301 East Bridge Street
Brownstown, Indiana 47220
(12) 358-3664

Sparton of Canada, Ltd.
100 Elm Street
London, Ontario, Canada N6A 4N2
(519) 455-6320

Military electronic equipment for the Canadian government

Trent Industrial Products
Campbellford, Ontario, Canada

Deming Electronics
Deming, New Mexico

Sparton Technology, Inc.
4901 Rockaway Blvd., S.E.
Rio Rancho, New Mexico 87124

9621 Coors Road, N.W.
Albuquerque, New Mexico 87103
(505) 898-1150

High reliability sub-assemblies for detection satellites; precision electro-mechanical components for weapon arming, fuzing and control; programmed automatic test equipment; transducers and related instruments for guidance, control and telemtry of guided missiles and piloted aircraft. Products for the commercial/industrial markets include telecommunications pressure sensors, electrical conversion kits adaptable to mechanical chart drive recorders currently used by the oil industry, pressure switches, gauges and pressure transducers

Sparton Manufacturing Company
P.O. Box 399
Old U.S. Highway 50, W.
Flora, Illinois 62839
(618) 662-2101

Automobile, truck, marine, ordnance and industrial horns, directional signals for trucks and off highway construction equipment, automotive and marine safety accessories, and automotive stampings

Sparton Manufacturing Sales Office (OEM)
1000 John R. Suite 202
Troy, Michigan 48083

Sparton Manufacturing Company
Blytheville, Arkansas

Sparton Manufacturing Company
Grayville, Illinois

Lake Odessa Machine Products
1201 North 4th Avenue
Lake Odessa, Michigan 48849
(616) 374-8863

Manufacturer of automotive parts and accessories consisting primarily of small and medium chassis underbody and innerbody stampings and wire accessories

Lake Odessa Sales Office
1000 John r. Suite 202
Troy, Michigan 48083

Lake Odessa Machine Products, Inc.
Cedar Springs, Michigan

LA-KO Products
Gladwin, Michigan

Kent Products, Inc.
427 N Griffin
Grand Haven, Michigan 49417
(616) 842-5800

Manufacturer of engineered metal stampings; hood mechanisms, manual & automatic shifters; parking brake assemblies; tailgate handles & hinges, tire carriers, appliance hinges, and ashtrays

White Cloud Products, Inc.
White Cloud, Michigan

Pasco Division
Grand Rapids, Michigan

Lake Manufacturing
Spring Lake, Michigan

Sales Office
3221 W. Big Beaver, Suite 204
Troy, Michigan 48084

Michigan Oil Company
603 Lansing Avenue
Jackson, Michigan 49202
(517) 788-9770

Exploration and production of oil and gas in the Michigan Basin

Transfer Agent(s):

The Huntington Bank of Northeast Ohio
917 Euclid Avenue
Cleveland, Ohio 44101

Bradford Trust Company
2 Broadway
New York, NY 10004

Stock Exchange(s): New York

Ticker Symbol: SPA

Number of Employees:

1985 ... 3,900

Plant Footage:

1985	1,688,502 sq. ft.	1982	1,200,000
1984	N.A.	1981	1,104,068
1983	N.A.		

N.A. - Not Available

Sales and Earnings

	Net Sales †	Net Income
1985	$ 131,035,848	$ (4,394,917)
1984	135,803,116	7,731,414
1983	124,080,941	9,176,051
1982	100,183,549	5,902,730
1981	111,539,742	7,300,687

	No. of Com. Shares +	Earn. per Share +
1985	6,874,833	$ —
1984	6,854,362	1.13
1983	6,831,852	1.34
1982	6,824,614	0.86
1981	6,822,506	1.07

(Loss)

† Manufacturing revenues; of continuing operations only

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits

Revenues By Line of Business

	1985	1984
Defense electronics	$ 79,079,947	$ 81,997,698
Commercial/industrial elec.	19,041,450	20,189,311
Auto & industrial prods.	32,914,451	33,616,107
Oil & gas	6,711,855	6,500,755
Total	$ 137,747,703	$ 142,303,871

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.52	—	—
1984	0.45	—	2-for-1
1983	0.315	—	—
1982	0.30	—	—
1981	0.25	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 45,341,325	$ 6.59
1984	53,262,616	7.75
1983	48,449,660	7.08
1982	41,364,025	6.06
1981	37,494,958	5.50

† Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Manufacturing:		
Net sales	$ 131,035,848	$ 135,803,116
Cost of sales	119,045,909	104,930,057
Expenses	15,464,664	16,173,424
Oper. income (Loss)	$ (3,474,725)	$ 14,699,635
Oil & Gas:		
Revenues	6,711,855	6,500,755
Costs & exp.	12,386,151	8,345,150
Oper. loss	$ (5,674,296)	$ (1,844,395)
Interest expense	619,642	35,712
Other income	(587,746)	(959,107)
Inc. (loss) bef. taxes	$ (9,180,917)	$ 13,778,635
Income taxes (credit)	(4,786,000)	5,996,000
Inc (loss) -cont. oper.	$ (4,394,917)	$ 7,782,635
Loss -disc. oper.	—	(51,221)
Net Income (Loss)	$ (4,394,917)	$ 7,731,414

* Included in Costs and Expenses, Depreciation and Depletion: $4,678,416 in 1985 and $2,897,020 in 1984.

Assets

As of June 30	1985	1984
Cash & short-term invest.	$ 2,979,688	$ 3,803,513
Inc. taxes recov.	3,627,713	—
Accts. receiv., net	15,772,828	15,152,838
*Inventories	27,275,217	32,026,944
Prepaid expenses	1,301,384	1,416,235
Current Assets	$ 50,956,830	$ 52,399,530
#Fixed assets	13,223,209	12,576,894
‡Oil and gas prop.	10,197,665	12,836,674
Other assets	735,141	864,888
Total Assets	$ 75,112,845	$ 78,677,986

Liabilities

	1985	1984
Notes payable	$ 8,200,000	$ —
Accts. payable	13,890,521	13,643,068
Accruals	2,853,791	3,489,042
Salaries and wages	1,677,785	1,912,636
Dividends declared	894,210	824,471
Income taxes	14,983	1,422,538
Deferred compensation	—	800,000
Curr. Liabilities	$ 27,531,290	$ 22,091,755
Deferred compensation	919,230	853,615
Deferred inc. taxes	596,000	1,745,000
Cap. lease oblig.	725,000	725,000
+ Common stock	8,598,423	8,588,235
Add. paid-in capital	135,048	96,298
Retained earnings	36,607,854	44,578,083
Total Liabilities & Shareholders' Equity	$ 75,112,845	$ 78,677,986

* At lower of cost (FIFO) or market.

Less accumulated depreciation.

‡ Less accumulated depreciation and depletion.

+ $1.25 par value.

Statistical Summary

%Net Income to Equity		14.52
Working Capital	$23,425,540	$30,307,775
Current Ratio	1.85	2.37
Shareholders' Equity	$45,341,325	$53,262,616

Spectra-Physics, Inc.

3333 North First Street
San Jose, California 95134
(408) 946-6080

Officers: Herbert M. Dwight, Jr., chairman, president & chief exec. officer; Joseph F. Rando, v.p.-advanced product development; Michael R. Gaulke, sr. v.p. & chief financial officer; Jon D. Tompkins, sr. v.p. & div. mgr.; Ted L. Teach, v.p. & div. mgr.; Kenneth A. Ruddock, v.p.; Klaus F. Derge, v.p.-int'l; William L. Overell, v.p. & controller; John J. Poggi, Jr., v.p., corporate counsel & secretary; Alfred P. Hildebrand, Michael Hodges, v.p.'s & div. mgrs.; Jan H. Blakslee, v.p.-human resources.

Directors: Herbert M. Dwight, Jr.*, chairman; William E. Ayer, Everett A. Cooper*, John G. Linvill, John M. Lillie, Kenneth A. Ruddock, C. Glen Bradley, Ralph Saemann.

* Member of the Executive Committee.

Areas of Work: Engaged in the research, development, manufacture and sale of gas lasers, laser and optical accessories, and chromotography automation equipment, ranging from construction alignment equipment, and electronic instrumentation for analytical instruments.

Divisions:

Laser Products Division
Mountain View, California
Manufactures gas and dye lasers and instruments.

Laser Analytics, Inc.
Bedford, Massachusetts
Produces tunable lead-salt diode lasers.

Autolab Division
San Jose, California
Manufactures chromatography instruments and data systems.

Construction and Agricultural Division
Dayton, Ohio
Engaged in the manufacture of laser instruments for engineering and construction alignment and guidance and control systems for earth-moving equipment.

Laser Systems Division
Eugene, Oregon
Designs and produces gas lasers and electronic label reading devices.

Optics Division
Mountain View, California
Produces laser lenses and mirrors.

Industrial Laser Division
San Jose, California
Produces high-powered materials processing lasers.

Spectra Technology, Inc.
Bellevue, Washington
Engaged in contract research and development for government and industry.

Subsidiaries:

Spectra-Physics, Ltd.
17 Brick Knoll Park
St. Albans A11 5UF
Herts, England

Spectra-Physics, B.V.
Prof. Dr. Dorgelolaan 20
5613 AM Eindhoven
Eindhoven, The Netherlands

Spectra-Physics, S.R.L.
Milan, Italy

Spectra-Physics, A.G.
Schweizergasse 39
4054 Basel
Switzerland

Spectra-Physics, GmbH
Siemensstrasse 20
D-6100 Darmstadt-Kranichstein
West Germany

Spectra-Physics, S.A.R.L.
Avenue de Scandinavie
Z.A. de Courtaboeuf
91941 Les Ulis Cedex
France

Spectra-Physics K.K.
Higashiyama Building 5F
1-1-2 Higashiyama
Meguro-Ku, Tokyo 153
Japan

Spectra-Physics International Finance N.V.
De Ruyterkade 62
Curacao
Netherlands Antilles

Spectra-Physics Proprietary Ltd.
826 Mountain Highway
Bayswater, Victoria 3152
Australia

Spectra-Physics Canada, Inc.
1111 Britannia Road East
Mississauga, Ontario
Canada L4W 3X1

Joint Ventures:

Spectra-Diode Laboratories, Inc.
Produces and markets miniature devices and laser systems for specialized communications, optical storage and other applications.

Transfer Agent(s):

The First National Bank of Boston
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SPY

Number of Employees:

1985	2,556	1982	2,019
1984	2,528	1981	2,104
1983	2,110		

Plant Footage:

1985	871,000 sq. ft.	1982	865,000
1984	857,000	1981	872,000
1983	865,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 191,357,000	$ (2,540,000)
1984	170,605,000	5,894,000
1983	143,205,000	(8,473,000)
1982	136,976,000	1,027,000
1981	135,740,000	2,518,000

	No. of Com. Shares #	Earn. per Share #
1985	6,182,000	$ —
1984	6,011,000	0.98
1983	5,221,000	—
1982	4,674,000	0.22
1981	4,598,000	0.55

(Loss)
‡ Including extraordinary gain of $1,500,000 in 1985 and extraordinary loss of $9,619,000 in 1983.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Instruments	$ 88,030	$ 80,852
Industrial laser applications	54,054	51,196
Laser systems & components	49,273	38,557
Total	$ 191,357	$ 170,605

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 129,779,000	$ 20.99
1984	96,444,000	16.04
1983	88,690,000	16.99
1982	66,930,000	14.32
1981	64,416,000	14.01

‡ Based on the weighted average number of common shares and common share equivalents shares outstanding.

Income Account
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 191,357	$ 170,605
Cost of sales	122,456	96,840
Expenses:		
Res. & Develop.	16,633	16,995
Marketing	51,344	46,715
Provision for loss due to discont. prod.	2,000	—
Interest expense	2,564	2,196
Inc. (loss) bef. taxes	$ (3,640)	$ 7,859
Income taxes	400	1,965
Net Income (Loss)	$ (4,040)	$ 5,894
Extraord. gain	1,500	—
Net Income (Loss) & extraord. gain	$ (2,540)	$ 5,894

Assets
(000's)

As of Sept. 30	1985	1984
Cash	$ 30,192	$ 5,971
Accts. receiv., net	45,612	40,660
*Inventories	41,212	41,369
Prepaid expenses	5,116	3,478
Current Assets	$ 122,132	$ 91,478
#Fixed assets	54,779	47,793
Other assets	4,971	5,627
Intangibles	10,984	13,012
Total Assets	$ 192,866	$ 157,910

Liabilities
(000's)

	1985	1984
Accts. payable	$ 6,902	$ 6,870
Accruals	17,284	14,823
Income taxes	3,324	4,369
Long-term debt, curr.	729	1,048
Curr. Liabilities	$ 28,239	$ 27,110
Long-term debt	28,308	27,848
Capitalized leases	4,145	4,113
Deferred income taxes	2,395	2,395
+ Common stock	1,450	1,193
Add. paid-in capital	95,060	60,106
Retained earnings	36,413	38,953
Accum. trans. adjust.	(3,144)	(3,808)
Total Liabilities & Shareholders' Equity	$ 192,866	$ 157,910

* At lower of standard cost (FIFO) or market, after allowance for obsolete, slow-moving and defective goods.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	4.61
%Net Income to Sales	—	3.45
%Net Income to Equity	—	6.11
Sales to Inventories	4.64	4.12
Debt to Equity	0.22	0.30
Working Capital	$ 93,893,000	$64,368,000
Current Ratio	4.32	3.37
Shareholders' Equity	$129,779,000	$96,444,000

Spectrum Control, Inc.

2185 West Eighth Street
Erie, Pennsylvania 16505
(814) 455-0966

Officers: Thomas L. Venable, chairman of the board & president; Geoffrey Robinson, sr. v.p.-engineering; Glenn L. Warnshuis, v.p.-engineering; Elmer Ziegler, v.p.-quality control; John R. Lane, exec. v.p.; Peter Rode, v.p.-manufacturing; Jon VanAmringe, v.p. & chief financial officer; James A. Siegel, treasurer; Louise A. Stuart, v.p.-manufacturing; Jack Baker, v.p.-engineering; Olin Stancliff, v.p.-manufacturing; James F. Toohey, secretary; William R. Crotty, Sr., sr. v.p. & special staff asst. to board of directors.

Directors: William R. Crotty, Sr., John R. Lane, John P. Leemhuis, John M. Petersen, James F. Toohey, Gerald A. Ryan, Thomas L. Venable, Glenn Warnshuis.

Areas of Work: Designs, manufactures and markets electromagnetic components which are used to filter out electronic pollution or interference in modems, communication receivers, and other electronic equipment.

Divisions:

Electromagnetic Division
8061 Avonia Road
Fairview, Pennsylvania 16415

Material Science Division
600 Erie Street
Saegertown, Pennsylvania 16433

Western Electromagnetic Division
28106 Avenue Crocker
Valencia, California 91355

Connecting Devices Division
6000 West Ridge Road
Erie, Pennsylvania 16506

Subsidiaries:

Spectrum Engineering International, Inc.
  Domestic International Sales Corporation (OISC)

Spectrum Control, Inc.

Transfer Agent(s):

Fund/Plan Services, Inc.
P.O. Box 8070
Philadelphia, Pennsylvania 19101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPEC (NASDAQ)

Number of Employees:

1985	490	1982	450
1984	520	1981	450
1983	500		

Sales and Earnings

	Net Sales	Net Income
1985	$ 24,186,365	$ 2,668,257
1984	22,199,754	2,267,932
1983	17,561,888	1,689,480
1982	16,040,999	1,726,093
1981	16,510,454	1,437,736

	No. of Com. Shares	Earn. per Share ‡
1985	5,342,699	$ 0.50
1984	5,316,399	0.43
1983	5,307,232	0.32
1982	5,297,668	0.32
1981	5,297,568	0.30

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.06	—	—
1984	0.05	—	—
1983	0.05	—	—
1982	0.05	—	—
1981	0.04	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 17,951,980	$ 3.36
1984	14,181,918	2.67
1983	12,792,937	2.41
1982	12,068,318	2.28
1981	10,290,139	1.94

Income Account *

Year ended Nov. 30	1985	1984
Net sales	$ 24,186,365	$ 22,199,754
Cost of sales	14,208,394	13,308,579
Expenses	5,912,991	5,119,845
Dividend & int. income	(751,516)	(774,686)
Interest expense	951,730	1,261,611
Income before taxes	$ 3,864,766	$ 3,284,405
Income taxes	1,196,509	1,016,473
Net Income	$ 2,668,257	$ 2,267,932

* Included in Costs and Expenses, Depreciation and Amortization: $1,030,137 in 1985 and $917,364 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	$ 169,251	$ 105,381
Accts. receiv., net	4,249,561	4,184,026
Dividends receiv.	77,855	105,475
Notes receiv.	10,000	84,000
*Inventories	7,679,977	7,083,089
Prepaid expenses	32,278	26,536
Prepaid inc. taxes	64,359	88,058
Claim for refund of inc. taxes	36,118	24,050
Current Assets	$ 12,319,399	$ 11,700,615
Investments	8,106,980	8,132,979
#Fixed assets	11,073,525	10,557,434
Other assets	654,948	437,405
Total Assets	$ 32,154,852	$ 30,828,433

Liabilities

	1985	1984
Long-term debt, curr.	$ 471,533	$ 125,805
Short-term debt	3,000,000	3,303,897
Accts. payable	1,273,277	1,417,277
Accrued payroll	337,797	301,040
Accrued vac. pay	412,041	356,617
Profit sharing	170,000	150,000
Accrued interest	38,853	6,352
Income taxes	149,396	137,048
Curr. Liabilities	$ 5,852,397	$ 5,798,036
Long-term debt	5,387,838	8,636,180
Deferred inc. taxes	2,680,939	1,955,511
Def. compensation	281,288	256,788
+ Common stock	6,349,970	6,270,353
Retained earnings	11,625,105	9,276,747
Unreal. loss on eq. securities	(23,185)	(1,365,182)
Total Liabilities & Shareholders' Equity	$ 32,154,852	$ 30,828,433

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	15.98	14.79
%Net Income to Sales	11.03	10.22
%Net Income to Equity	14.86	15.99
Sales to Inventories	3.15	3.13
Debt to Equity	0.49	0.85
Working Capital	$ 6,466,502	$ 5,902,579
Current Ratio	2.10	2.02
Shareholders' Equity	$17,951,890	$14,181,918

Sperry Corporation

(The Company has entered into an Acquisition Agreement dated May 27, 1986, with Burroughs Corporation pursuant to which the Company expects to become a majority owned subsidiary of Burroughs in June 1986 and a wholly owned subsidiary in July 1986 pursuant to a merger.)

1290 Avenue of the Americas
New York, New York 10104
(212) 484-4444

Officers: Gerald G. Probst, chairman of the board & chief executive officer; Joseph J. Kroger, president & chief operating officer; Edwin P. Gilbert, sr. v.p. & chief financial officer; James B. Aldrich, sr. v.p.; Frank F. Castaldi, sr. v.p.; John P. Karalis, sr. v.p. & general v.p.; Abner B. Martin, sr. v.p., Joseph J. Campanella, v.p. & president-Aerospace and Marine Group; Edwin D. Decker, v.p. & president-Defense Products Group; Kurt Merl v.p. & president-Systems Management Group; Vincent M. Donovan, John F. Horton, Jan Lindelow, Dewaine L. Osman, Hatim A. Tyabji, v.p.'s.

Directors: James D. Finley, Gerald G. Probst*, Willard S. Boothby, Jr., Norma T. Pace*, Richard R. Shinn*, Donald V. Seibert*, William L. Wearly, Edward A. Feigenbaum, Frank C. Carlucci, Joseph J. Kroger.

*Member of the Executive Committee.

Divisions:

Sperry Division
Great Neck, New York 11020
(516) 574-1111

Guidance and control systems, electronic components, radar, sonar devices, aerospace and marine navigation equipment, technical and business management of complex systems programs, and electro-optics.

Sperry Univac Division
P.O. Box 500
Blue Bell, Pennsylvania 19424
(215) 542-4011

Electronic data processing systems for commercial and defense applications, peripheral equipment and supplies; minicomputers; information service facilities; office equipment. Through its Defense Systems operations, Sperry Univac designs, develops, and produces durable land-based, shipboard and airborne computers for the U.S. government.

Sperry Vickers Division
1401 Crooks Road
P.O. Box 302
Troy, Michigan 48084
(313) 576-3000

Fluid power components and systems for mobile, industrial, aerospace, marine, and ordnance equipment; numerical control systems for industrial equipment, industrial electromechanical; clutches and brakes; winches, power take-offs, and gear reducers for mobile, marine, and industrial applications.

Sperry Flight Systems Division
21111 North 19 Avenue
Phoenix, Arizona 85027
(602) 942-2311

Manufacturer of navigation, guidance and control systems and instruments used in miliary aircraft, commercial aviation, general aviation (the civilian non-airline market) and aerospace vehicles.

Foreign Subsidiaries:

Sperry Rand Australia Limited
Dandenong, Victoria, Australia

Sperry Rand GmbH
Vienna, Austria

Sperry Rand Argentina, S.A. Commercial
E Industrial
Buenos Aires, Argentina

Sperry Rand (Ireland) Limited
Cobham, Surrey, Ireland

Sperry Rand Asia, Inc.
Tokyo, Japan

Sperry Rand Espanola, S.A.
Barcelona, Spain

Remington Rand Colombiana S.A.
Bogota, Colombia

Sperry Rand Limitada
Lisbon, Portugal

Sperry Rand Singapore (PTE) Limited
Singapore

Sperry Rand South Africa (Proprietary) Limited
Johannesburg, South Africa

Sperry Rand Peruana, S.A.
Lima, Peru

Sperry Rand Denmark
Copenhagen, Denmark

Oy Sperry Rand AB
Helsinki, Finland

Sperry Rand (HK) Ltd.
Hong Kong

Sperry Rand Korea Ltd.
Seoul, Korea

Sperry Rand Mexicana
Mexico City, Mexico

Sperry Rand NZ Ltd.
Auckland, New Zealand

Sperry Rand NORGE A/S
Oslo, Norway

Sperry Rand Venezuela C.A.
Caracas, Venezuela

Trade Industry Sperry Rand Hellas
Athens, Greece

Sperry Rand Belgium
Brussels, Belgium
Zedelgem, Belgium

Sperry Rand do Brasil S.A.
Rio de Janeiro, Brazil

Sperry Rand Canada Limied
Mississauga, Ontario, Canada

Sperry Rand Limited
London, England

Sperry Rand France S.A.
Coubevoie, France

Sperry Rand Gmb.H.
Frankfurt/Main, Germany

Sperry Rand Italia S.p.A.
Milan, Italy.

Sperry Rand A/B
Stockholm, Sweden

Univac Iran Company (Associated Company)
Teheran, Iran

Sperry Rand A.G.
Zurich, Switzerland

Sperry Rand International Corporation
Liberia

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, Amsterdam, Basel, Brussels, Dusseldorf, Frankfurt, Geneva, Lausanne, London, Munich, Paris, Tokyo, Vienna, Zurich.

Ticker Symbol: SY

Number of Employees:

1986	65,932	1983	77,493
1985	N.A.	1982	88,720
1984	73,447		

N.A.-Not Available

Plant Footage:

1986 . . . . . . 17,900,000 sq.ft.

Sales and Earnings

	Revenues ‡ (000's)	Net Income (000's)
1986	$ 5,740,800	$ 46,800
1985	4,972,100	286,700
1984	4,185,500	216,200
1983	[illegible]8,000	118,100
1982	4,032,700	221,800

	No. of Com. Shares	Earn. per Share #
1986	57,634,249	$ 0.82
1985	56,747,939	5.15
1984	54,347,911	4.17
1983	45,536,635	2.65
1982	42,950,606	5.25

‡ Includes service revenues; of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1986	1985
Computer equipment	$ 4,778,000	$ 4,151,500
Electronic equipment	962,800	820,600
Total	$ 5,740,800	$ 5,687,200

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$1.92	—	—
1985	1.92	—	—
1984	1.92	—	—
1983	1.92	—	—
1982	1.92	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1986	$ 3,066,000	$ 53.20
1985	3,001,100	52.88
1984	2,802,900	51.57
1983	2,398,900	52.68
1982	2,384,400	55.51

Income Account *
(000's)

Year ended March 31	1986	1985
Net sales	$ 4,054,100	$ 3,448,900
Rentals & services	1,686,700	1,523,200
Other income	50,200	(6,00)
Total Income	$ 5,791,000	$ 4,971,500
Cost of sales	2,763,500	2,380,600
Cost of rentals & services	916,500	757,500
Expenses	1,570,100	1,397,800
Interest expense	143,300	135,600
Income before taxes	$ 397,600	$ 300,000
Income taxes	117,600	11,400
Inc.-cont. oper.	$ 280,000	$ 288,600
Loss discont. oper.	(233,200)	(1,900)
Net Income	$ 46,800	$ 286,700

* Included in Costs and Expenses, Depreciation, Amortization and Obsolescence: $228,700,000 in 1986 and $201,100,000 in 1985.

Assets
(000's)

As of March 31	1986	1984
Cash	$ 734,900	$ 136,800
Accts. & notes receiv., net	1,404,900	983,800
*Inventories	1,328,000	1,346,800
Prepaid expenses	68,700	55,400
Assets of discont. oper.	—	725,100
Curent Assets	$ 3,536,500	$ 3,247,900
Investments	466,300	438,800
Long-term receiv	724,200	993,700
#Fixed assets	694,000	578,100
‡Rental machines	292,700	204,600
Other assets	176,700	123,000
Total Assets	$ 5,890,400	$ 5,586,100

Liabilities
(000's)

Bank & other loans	$ 114,800	$ 122,500
Long-term debt, curr	18,600	20,800
Accts. payable & accruals	1,181,700	985,900
Dividends payable	27,600	27,200
Income taxes	178,800	260,500
Curr. Liabilities	$ 1,521,500	$ 1,416,900
Long-term debt	1,033,400	888,900
Deferred inc. taxes	269,500	279,200
+ Common stock	28,800	28,400
Add. paid-in capital	1,028,600	987,900
Retained earnings	2,216,000	2,279,100
Translation adjust	(207,400)	(294,300)
Total Liabilities & Shareholders' Equity	$ 5,890,400	$ 5,586,100

* At lower of cost (average and LIFO) or market.
# Less accumulated depreciation and amortization.
‡ Less accumulated depreciation and absolescense.
+ $0.50 par value.

Statistical Summary

%Net Income to Equity	1.53	9.55
Sales to Inventories	3.05	2.56
Debt to equity	0.38	0.34
Working Capital	$2,015,000,000	$1,831,000,000
Current Ratio	2.32	2.29
Shareholders' Equity	$3,006,000,000	$3,001,100,000

Spex Group, Inc.

3880 Park Avenue
Edison, New Jersey 08820
(201) 549-7144

Officers: Jud B. Flato, president, chief exec. officer & treasurer; Charles W. Gibney, v.p.-finance; Charles L. Jaffin, secretary; Robert F. Johnston, v.p.

Directors: Bernard J. Bulkin, Jud B. Flato, Robert F. Johnston, William J. Kissel, Bradford Mills.

Areas of Work: Engaged in the manufacture and distribution of spectrometric equipment, high-purity chemicals, chemical standards and other products for use with spectrometric equipment and other methods of chemical analysis.

Divisions:

Laboratory Apparatus Division
Sample preparation methods for a variety of spectroscopic techniques.

Chemical Division
Chemical standards and preparation of high-purity compounds.

Subsidiaries:

Spex International, Inc.
Winchester, Hampshire, United Kingdom
Foreign sales corporation (FSC).

Spex Industries, GmbH
Munich, West Germany
International sales, primarily in West Germany, Austria, and Eastern Bloc countries.

Spex Industries, Inc.
Manufacture and distribution of spectrometric equipment.

Transfer Agent(s):

The Trust Company of New Jersey
35 Journal Square
Jersey City, New Jersey 07306

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPEX (NASDAQ)

Number of Employees:

1985	140	1983	109
1984	N.A.	1982	N.A.

Plant Footage:

1985	70,700 sq. ft.	1982	63,000
1984	N.A.	1981	63,000
1983	69,000		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 12,342,854	$ 558,808
1984	11,763,478	366,471

	No. of Com. Shares	Earn. per Share ‡
1985	5,929,858	$ 0.07
1984	5,923,921	0.04

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Spectrometric instruments	$ 9,184,000	$ 8,451,000
Chemicals	1,109,000	1,125,000
Laboratory accessories	2,050,000	2,187,000
Total	$ 12,343,000	$ 11,763,000

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,654,751	$ 0.45
1984	2,251,817	0.38

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 12,342,854	$ 11,763,478
Cost of sales	5,525,731	4,960,923
Expenses	5,131,312	4,794,277
Interest expense	789,509	1,132,192
Interest income	—	(182,204)
Other expenses	42,494	48,939
Income before taxes	$ 853,808	$ 1,009,351
Income taxes	295,000	495,000
Minority interest	—	147,880
Net Income	$ 558,808	$ 366,471

* Included in Costs and Expenses, Depreciation and Amortization: $310,807 in 1985 and $232,047 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 128,049	$ 1,650,421
Marketable securities	—	337,508
Accts. receiv., net	3,117,526	1,413,439
*Inventories	3,864,915	3,682,244
Prepaid expenses	39,885	135,816
Current Assets	$ 7,150,375	$ 7,219,425
#Fixed assets	3,613,302	3,332,643
Other assets	104,877	119,877
Intangibles	2,245,879	2,304,878
Total Assets	$ 13,114,433	$ 12,976,826

Liabilities

Long-term debt, curr	$ 630,000	$ 380,000
Accts. payable	524,775	492,986
Accrued payroll	251,295	245,598
Accrued commissions	130,944	186,664
Accrued profit-sharing	172,741	88,000
Other accruals	272,927	308,761
Curr. Liabilities	$ 1,982,682	$ 1,702,009
Long-term debt	6,375,000	7,020,000
Deferred inc. taxes	102,000	3,000
+ Redeem. preferred stock	2,000,000	2,000,000
+ + Common stock	59,299	59,239
Add. paid-in capital	1,950,396	1,946,330
Retained earnings	645,056	246,248
Total Liabilities & Shareholders' Equity	$ 13,114,433	$ 12,976,826

+ At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $5 par value; 8% cumulative.
+ + $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	6.92	8.58
%Net Income to Sales	4.53	3.12
%Net Income to Equity	21.05	16.27
Sales to Inventories	3.19	3.19
Debt to Equity	2.64	3.29
Working Capital	$5,167,613	$5,517,419
Current Ratio	3.61	4.24
Shareholders' Equity	$2,654,751	$2,251,817

Spire Corporation

Patriots Park
Bedford, Massachusetts 01730
(617) 275-6000

Officers: Roger G. Little, chairman, chief executive officer, president & treasurer; Andrew D. MacKay, exec. v.p., chief operating & chief financial officer; Richard S. Gregorio, controller; Stephen M. Honig, clerk; Robert G. Wolfson, v.p.-research; Hans F. Hoyer, v.p.-electronics; Ghazi Darkazalli, v.p.-photovoltaics; Piran Sioshansi, v.p.-metals.

Directors: Roger G. Little, chairman; Alfred John Gale, James D. Gerson, William J. Masser, Robert H. Masson, Andrew D. MacKay, John A. Tarello.

Areas of Work: The company fabricates and sells manufacturing equipment used by the photovoltaic industry for the production of solar modules and cells and by the electronics industry for the processing of semiconductor materials and devices; conducts contract supported material and process research relating to photovoltaic energy, semiconductor materials and metal surface modification industries; and provides contract services for the treatment of semiconductor materials and metal surfaces.

Subsidiary:

Spire International Sales Corporation

Transfer Agent(s):

The Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SPIR (NASDAQ)

Plant Footage:

1985	74,000 sq. ft.

Sales and Earnings

	Revenues	Net Income ‡
1985	$ 13,673,000	$ 1,340,000
1984	9,455,000	852,000
1983	5,759,000	423,000
1982	4,375,000	(37,000)
1981	4,091,000	(432,000)

	No. of Com. Shares #	Earn per Share #‡
1985	3,405,000	$ 0.40
1984	3,388,000	0.25
1983	2,757,000	0.15
1982	2,380,000	—
1981	2,350,000	—

(Loss)

‡ Including extraordinary gain of $101,365 ($0.04 per share) in 1983.

Based on the weighted average number of common shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 8,286,000	$ 2.43
1984	6,829,000	2.02
1983	5,355,000	1.94
1982	432,000	0.18
1981	469,000	0.20

‡ Based on the weighted average number of common shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Contract & serv. revenues	$ 8,203,663	$ 7,353,435
Sales of mfg. equip	5,468,921	2,102,031
Total revenues	$ 13,672,584	$ 9,455,466
Cost of sales	9,196,033	6,494,915
Expenses	3,039,407	2,332,931
Interest income	(99,710)	(312,957)
Income bef. taxes	$ 1,536,854	$ 940,577
Income taxes	187,000	89,000
Net Income	$ 1,349,854	$ 851,577

* Included in Costs and Expenses, Depreciation and Amortization: $555,839 in 1985 and $376,962 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 50,693	$ 105,163
Marketable securities	—	2,306,759
Accts. receiv., net	4,430,305	2,714,061
Refundable income taxes	22,038	—
*Inventories	1,978,733	1,223,688
Prepaid expense	280,157	144,366
Current Assets	$ 6,761,926	$ 6,494,037
#Fixed assets	6,176,471	3,064,819
Computer Software costs	209,639	—
Other assets	102,082	107,514
Intangibles	86,090	83,349
Total Assets	$ 13,336,208	$ 9,749,719

Liabilities

Notes payable	$ 250,000	$ —
Long-term debt, curr.	10,508	24,792
Accts. payable	2,048,904	734,473
Accruals	551,711	397,273
Advances on contracts	1,993,585	1,714,472
Curr. Liabilities	$ 4,854,708	$ 2,871,010
Deferred income taxes	187,300	31,300
Long-term debt	7,811	18,317
+ Common stock	32,514	32,313
Add. paid-in capital	5,719,563	5,609,315
Retained earnings	2,537,318	1,187,464
Treasury stock	(3,006)	—
Total Liabilities & Shareholders' Equity	$ 13,336,208	$ 9,749,719

* At lower of cost (average) or market.

Less accumulated depreciation and amortization.

+ $0.01 par value.

Statistical Summary

% Income bef. Taxes to Revenues	11.24	9.95
%Net Income to Revenues	9.87	9.01
%Net Income to Equity	16.29	12.47
Debt to Equity	0.03	0.01
Working Capital	$1,907,218	$3,623,027
Current Ratio	1.39	2.26
Shareholders' Equity	8,286,389	$6,829,092

Square D Company

Executive Plaza
Palatine, Illinois 60067
(312) 397-2600

Officers: Dalton L. Knauss, chairman, pres. & chief exec. officer; Thomas H. Brown, v.p.-power equipment div.; John N. Daniel, v.p.-control div.; Charles W. Denny, III, v.p.-operations; Dexter S. Free, treasurer & asst. secretary; Richard A. Hegeman, v.p.-marketing; E.A. Kemper, v.p.-corp. planning & asst. secretary; R.E. King, president-electrical group; W.W. Kurczewski, v.p. & general counsel; John F. LaShorne, controller, asst. secretary & chief accounting officer; A.G. Mueller, v.p.-corp. development; G.E. Meyers, v.p.-materials & components group; Richard M. O'Neal, v.p.-sales; Charles E. Quentel, III, v.p.-engineering; Roger A. Sackett, v.p.-operations; James M. Vetta, v.p.-personnel relations; J. Vikmanis, v.p.-electronic systems group; Thomas W. Wilbor, v.p.-distributor relations & marketing administration; D.E. Wilson, v.p.-finance, secretary & chief financial officer; Simon Yin, v.p.-research & development.

Directors: Michael L. Besson, Donald C. Clark*, Robert F. Froehlke, H. Everton Hosley, Jr., R.E. King, Dalton L. Knauss*, Sheldon B. Lubar, David B. Meeker*, Gustave H. Moede, Jr.*, Frank J. Morgan*, E.F. Mulligan, John B. Schremm, Donald E. Wilson

* Member of the Executive Committee.

Areas of Work: The Company is involved in two business segments: electrical equipment and electronic products. The electrical equipment group manufactures and markets electrical products including switches, circuit breakers, panelboards, switchboards, transformers, motor starters, relays and accessories such as pushbuttons, limit, pressure and vacuum switches. The products are marketed to electrical contractors, electrical utilities and industrial plants.

The electronic products segment is engaged in the manufacture and sale of electrodeposited copper foil, semiconductor devices, power conditioning equipment, programmable controllers, energy management systems, infrared radiation thermometers and pyrometers, computerized control and data gathering systems, industrial assembly robots, emergency lighting devices, snap dome switches and other electronic devices.

Subsidiaries:

Square D Canada Electric Equipment Inc.
Toronto, Ontario, Canada

Equipment e Electrique Square D Canada Inc.
Mississauga, Ontario

Square D Limited
Esher, Surrey, England

Square D de Mexico, S.A. de C.V.
Mexico City, Mexico

Palatine-Ridge Insurance Company Ltd.
Hamilton, Bermuda

Versamex S.A. de C.V.
Mexico City, Mexico

Square D Italia, S.p.A.
Arenzano, Italy

Square D Company Australia Pty. Ltd.
Melbourne, Australia

Square D Company Ireland Ltd.
Ballinasloe
County Galway, Ireland

Square D Japan Ltd.
Tokyo, Japan

Square D France S.A.
Paris, France

Square D GmbH
Darmstadt, West Germany

Ircon Pyrometers, Inc.
Cedex, France

Ircon GmbH
Taunusstein, West Germany

Square D Starkstrom GmbH
West Germany

Square D Andina, S.A.
Latacunga, Ecuador

Square D Centroamericana, S.A.
San Jose, Costa Rica

Engineered Systems, Inc.
Tempe, Arizona

KB-Denver, Inc.
Frederick, Colorado

Comercial y Fabril Aper, S.A.
Barcelona, Spain

Square D (Singapore) Pte. Ltd.
Singapore

Yates Industries, Inc.
Beaumont, California
Bordentown & Moorestown, New Jersey
Haverhill, Massachusetts

Yin Research Corporation
Fremont, California

Square D (Saudi Arabia) Limited
Riyadh, Saudi Arabia

Lumacell, Inc.
Scarborough, Ontario, Canada
Lachine, Quebec, Canada

Yates Industries (Ireland) Ltd.
Little Island, Irish Republic

General Semiconductor Industries, Inc.
Cottonwood, Arizona
Garland, Texas
Tempe, Arizona

General Semiconductor Ireland Ltd.
Macroom, Ireland

Yates Industries, S.A.
Wiltz, Luxembourg

Yates Circuit Foil Co., Ltd.
Silloth, England

Square D Benelux B.V.
Woerden, The Netherlands

Palatine Hills Leasing, Inc.
Palatine, Illinois

Ramsey Controls, Inc.
Mahwah, New Jersey

Square D Ventures Corporation
Palatine, Illinois

Ircon, Inc.
Niles, Illinois

Topaz, Inc.
San Diego, California

United States Robots, Inc.
Exton, Pennsylvania
Carlsbad, California

Yin, Inc.
San Leandro, California

Transfer Agent(s):

National Bank of Detroit
611 Woodward Avenue
Detroit, Michigan 48226

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: SQD

Number of Employees:

1985	22,100	1982	21,100
1984	22,600	1981	22,700
1983	21,200		

Plant Footage:

1985	9,568,000 sq. ft.	1982	8,792,000
1984	9,529,000	1981	8,479,000
1983	9,298,000		

Sales and Earnings

	Net Sales	Net Income
1985	$1,348,114,000	$ 87,188,000
1984	1,310,126,000	106,153,000
1983	1,093,931,000	62,911,000
1982	1,013,997,000	71,700,000
1981	1,107,361,000	103,682,000

	No. of Com. Shares	Earn. per Share +
1985	28,864,000	$ 3.02
1984	28,748,000	3.71
1983	28,589,000	2.22
1982	27,640,000	2.61
1981	27,490,000	3.77

+ Based on the weighted average number of shares outstanding during the year.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.84	—	—
1984	1.84	—	—
1983	1.84	—	—
1982	1.84	—	—
1981	1.735	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 606,139,000	$ 21.00
1984	551,163,000	19.17
1983	505,970,000	17.70
1982	478,697,000	17.32
1981	476,392,000	17.33

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 1,348,114	$ 1,310,126
Cost of sales	894,036	852,571
Expenses	259,560	244,025
Other income	(12,893)	(12,716)
Interest expense	24,863	28,467
Income before taxes	$ 182,548	$ 197,779
Income taxes	80,112	88,021
Inc. - cont. oper.	$ 102,438	$ 409,758
Loss - discont. oper.	(15,250)	(3,605)
Net Income	$ 87,188	$ 106,153

* Included in Costs and Expenses, Depreciation and Amortization: $45,810,000 in 1985 and $40,943,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & cash equiv.	$ 48,799	$ 69,418
Accts. receiv., net	228,554	202,341
*Inventories	184,649	202,077
Prepaid expenses	37,795	6,937
Current Assets	$ 499,797	$ 480,773
Investment	24,438	11,830
#Fixed assets	473,503	418,729
Other assets	13,734	15,058
Intangibles	91,657	94,740
Total Assets	$ 1,103,129	$ 1,021,130

Liabilities
(000's)

	1985	1984
Short-term bank borrowings	$ 25,627	$ 40,575
Long-term debt, curr.	12,427	12,259
Accts. payable & accruals	173,887	166,743
Dividends payable	13,277	13,224
Income taxes	15,546	7,638
Deferred income taxes	5,808	1,178
Curr. Liabilities	$ 246,572	$ 241,597
Long-term debt	184,954	170,304
Minority interest	—	254
Deferred inc. taxes	65,464	57,812
+ Common stock	48,106	47,914
Add. paid-in capital	89,366	86,240
Retained earnings	499,016	464,909
Cum. trans. adjust.	(30,349)	(47,900)
Total Liabilities & Shareholders' Equity	$ 1,103,129	$ 1,021,130

* At lower of cost (LIFO in U.S., FIFO for foreign) or market.
# Less accumulated depreciation
+ $1.66⅔ par value

Statistical Summary

	1985	1984
%Net Income to Equity	14.38	19.26
Sales to Inventories	7.30	6.48
Debt to Equity	0.37	0.40
Working Capital	$253,225,000	$239,176,000
Current Ratio	2.03	1.99
Shareholders' Equity	$606,139,000	$551,163,000

Squibb Corporation

P.O. Box 4000
Princeton, New Jersey 08540
(609) 921-4000

Officers: Richard M. Furlaud, chairman of the board & chief executive officer; Dennis C. Fill, president & chief operating officer; Daniel A. Cuoco, Robert E. Humes, Leo S. Martinuzzi, Jr., Anthony W. Ruggiero, Joseph T. Stewart, Jr., sr. v.p.'s; Robert T. deGarve, v.p. & treasurer; Charles A. Sanders, exec. v.p.; William R. Luney, v.p. & secretary; Philip S. Seydel, v.p. & controller; Robert D. Popper, Jan M.Z. Kaczmarek, Richard L. Thompson, Richard Kahn, Allan E. Garb, Andrew Briskar, Edward C. Coleman, William R. Cox, James R. Knill, v.p.'s; George B. Mackaness, Jan Leschly, Ernest Mario, Robert H. Miller, group v.p.'s.

Directors: Richard M. Furlaud, chairman; John J. McCloy, Robert H. Ebert, Dennis C. Fill, Ellen V. Futter, John W. Hanes, Jr., Charles A. Sanders, Walter F. O'Connell, Helen M. Ranney, Lewis Thomas, Eugene F. Williams, Jr., J. Richardson Dilworth, Robert H. Miller, Daniel A. Cuoco, Charles G. Koch, Jan Leschly, George B. Mackaness, Ernest Mario, Anthony W. Ruggiero, Joseph T. Stewart, Jr., Robert V. Van Fossan, Rawleigh Warner, Jr., Torsten N. Wiesel.

Areas of Work: Manufactures and distributes electronic instruments for medical applications including patient monitoring systems and ultrasound scanners. Other areas of work include: fragrances and cosmetics, confectionary goods, surgical instruments, drugs, and vitamins.

Divisions and Subsidiaries:

Pharmaceutical Products Group

Research and Development Group

Medical Products Group

Personal Care Products Group

The Squibb Institute for Medical Research
  Advanced Technology Laboratories, Inc.
  Medical Affairs
  ConvaTec
  Edward Weck & Company, Inc.
  Weck Medical Instrument Group
  Spacelabs, Inc.
  Squibb Medical Systems International
  Worldwide Licensing
  Worldwide Engineering

E.R. Squibb & Sons Inc.
P.O. Box 4000
Princeton, New Jersey 08540
(609) 921-4000

Squibb United States
Squibb Europe
Squibb International
Squibb Diagnostics
Worldwide Technical Operations

Charles of the Ritz Group Ltd.
40 West 57th Street
New York, New York 10019
(212) 621-7300

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

State Street Bank & Trust Company
Boston, Massachusetts

Centerre Union Trust Company of St. Louis
St. Louis, Missouri

Stock Exchange(s): New York, London, Basel, Geneva, Zurich, Munich, Frankfurt

Ticker Symbol: SQB

Number of Employees:

1985	23,647	1982	23,700
1984	23,001	1981	23,300
1983	23,001		

Sales and Earnings

	Net Sales † (000's)	Net Income ‡‡ (000's)
1985	$ 2,041,745	$ 226,599
1984	1,886,037	197,172
1983	1,768,891	172,707
1982	1,660,766	153,636
1981	1,523,911	104,815

	No. of Com. Shares	Earn. per Share ‡ ‡‡
1985	53,480,215	$ 4.20
1984	53,414,608	3.68
1983	52,981,580	3.30
1982	51,459,992	3.01
1981	49,983,000	2.10

† Of continuing operations only.
‡ Based on the average number of common shares and common share equivalents outstanding.
‡‡ Including extraordinary losses of $567,000 ($0.01 per share) in 1983 and $6,532,000 ($0.13 per share) in 1981.

Revenues By Line of Business
(000's)

	1985	1984
Pharmaceutical prods	$ 1,197,060	$ 1,089,698
Medical prods	412,445	396,282
Personal-care prods	432,240	400,057
Total	**$ 2,041,745**	**$ 1,886,037**

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.72		
1984	1.48		
1983	1.365		
1982	1.28		
1981	1.215		

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	$ 1,465,758	$ 27.41
1984	1,328,440	24.86
1983	1,231,381	23.24
1982	1,095,819	21.29
1981	1,029,625	20.60

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 2,041,745	$ 1,886,037
Cost of sales	753,801	719,402
Expenses	933,085	875,904
Interest income	(38,946)	(40,309)
Interest expense	36,880	23,271
Other expenses	18,210	13,586
Income before taxes	$ 338,715	$ 294,183
Income taxes	112,116	97,011
Net Income	$ 226,599	$ 197,172

* Included in Costs and Expenses: Depreciation and Amortization: $39,603,000 in 1985 and $36,464,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 347,352	$ 288,609
Marketable invest	25,137	3,559
Receivables	505,390	445,479
*Inventories	479,941	401,085
Prepaid expenses	33,514	25,595
Deferred inc. taxes	62,170	59,666
Current Assets	$ 1,453,504	$ 1,223,993
Investments & long-term receiv	175,654	180,967
#Fixed assets	701,439	617,724
Other assets	122,371	111,427
Total Assets	$ 2,452,968	$ 2,134,111

Liabilities
(000's)

	1985	1984
Long-term debt, curr	$ 2,748	$ 101,547
Notes payable	228,156	67,959
Accts. payable & accruals	397,267	330,614
Income taxes	65,184	40,605
Curr. Liabilities	$ 693,355	$ 540,725
Long-term debt	188,469	200,023
Deferred inc. taxes	51,958	17,432
Other liab	53,428	47,491
+ Common stock	53,545	53,430
Add. paid-in capital	232,265	240,031
Retained earnings	1,310,790	1,176,217
Foreign curr. adj	(126,442)	(141,027)
Treasury stock	(4,400)	(211)
Total Liabilities & Shareholders' Equity	$ 2,452,968	$ 2,134,111

* At lower of cost or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	16.59	15.60
%Net Income to Sales	11.10	10.45
%Net Income to Equity	15.46	14.84
Sales to Inventories	4.25	4.70
Debt to Equity	0.29	0.28
Working Capital	$ 760,149,000	$ 683,268,000
Current Ratio	2.10	2.26
Shareholders' Equity	$1,465,758,000	$1,328,440,000

Standard Logic, Inc.

132 Business Center Drive
Corona, California 91720
(714) 735-8610

235 N.E. Loop, #820
Suite 507 •
Hurst, TX 76053
(817) 589-0554

Officers: Ernest W. Baumgardner, president & chairman of the board; Donald S. Krysinski, v.p.

Directors: Ernest W. Baumgardner, chairman; Marlan M. Merhab, Bruce G. Rossiter, Bruce L. Billington.

Areas of Work: Main product lines include "D-A-R-T" (Dynamic Automated Restaurant Terminal), "D-A-R-T D-I-A-L-M-A-S-T-E-R" (Polling System), "D-A-R-T-L-I-N-E" (a point-of-sale system), numerically controlled wire-wrapping machines. Services include wire-wrapping of electronic components, software for wire-wrapping applications, and documentation of finalized electronic assemblies.

Transfer Agent(s):

Bank of America
Los Angeles, California

Stock Exchange(s): Over-the-Counter, Boston

Ticker Symbol: STDL (NASDAQ); SLO (Boston)

Number of Employees:

1985	66	1982	118
1984	70	1981	138
1983	141		

Plant Footage:

1985	33,000 sq. ft.	1982	30,000
1984	57,000	1981	30,000
1983	57,000		
1982	30,000		

Sales and Earnings

	Net Sales	Net Income #
1985	$ 5,775,744	$ (657,064)
1984	4,795,492	(4,586,817)
1983	7,161,077	(775,681)
1982	8,187,173	273,693
1981	4,335,855	(1,887,215)

	No. of Com. Shares	Earn. per Share + #
1985	4,974,118	$ —
1984	4,974,118	—
1983	4,983,711	—
1982	3,516,811	0.07
1981	3,300,356	—

( ) Loss
Including extraordinary gain of $110,000 ($0.03 per share) in 1982.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,883,457	$ 0.58
1984	3,552,971	0.71
1983	8,150,582	1.64
1982	2,679,651	0.76
1981	2,283,465	0.69

Income Account *

Year ended Oct. 31	1985	1984
Net sales	$ 5,775,744	$ 4,795,492
Cost of sales	4,301,671	4,724,592
Expenses	2,130,537	5,292,531
Gain on sale	—	(635,414)
Loss before taxes	$ (656,464)	$ (4,586,217)
Income tax	600	600
Net Loss	$ (657,064)	$ (4,586,817)

* Included in Costs and Expenses, Depreciation and Amortization: $117,285 in 1985 and $289,546 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 1,132,067	$ 1,119,839
Accts. receiv., net	777,581	713,742
*Inventories	794,205	2,012,939
Prepaid expenses	54,011	55,722
Current Assets	$ 2,757,864	$ 3,902,242
#Fixed assets	286,092	388,205
Other assets	214,900	232,343
Total Assets	$ 3,258,856	$ 4,522,790

Liabilities

	1985	1984
Long-term debt, curr	$ 3,170	$ 24,347
Accts. payable	288,718	590,408
Accrued compensation	64,663	129,472
Customer advances	—	68,485
Other Liabilities	18,848	152,954
Curr. Liabilities	$ 375,399	$ 965,666
Long-term debt	—	4,153
+ Common stock	124,352	124,352
Add. paid-in capital	10,199,941	10,121,641
Warrants	24,687	115,437
Ret. earnings (deficit)	(7,465,523)	(6,808,459)
Total Liabilities & Shareholders' Equity	$ 3,258,856	$ 4,522,790

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.025 par value.

Statistical Summary

Sales to Inventories	7.27	0.23
Working Capital	2,382,465	$2,936,576
Current Ratio	7.35	4.04
Shareholders' Equity	2,883,457	$3,552,971

Standard Microsystems Corporation

35 Marcus Boulevard
Hauppauge, New York 11788
(516) 273-3100

Officers: Paul Richman, chairman & president; Gerald E. Gollub, Arthur Sidorsky, exec. v.p.'s; Walter J. Kmeta, senior v.p.; H. Peter Zimbelmann, Jean-Pierre Chalmin, John Tweedy, Harry J. Horn, Leonard Novara, v.p.'s; Victor F. Trizzino, sr. v.p. & treasurer; Harold I. Kal en, secretary; Al Marvet, controller.

Directors: Herman Fialkov, Richard L. Geiger, Paul Richman, Peter F. Dicks, Gerald E. Gollub, Raymond Frankel, John Gatti, Arthur Sidorsky.

Areas of Work: Engaged in the design, development, manufacture and marketing of metal-oxide-semiconductor (MOS) large-scale integrated (LSI) circuits and very large-scale integrated (VLSI) circuits and subsystems. Also manufactures digital logic devices for industrial and commercial applications.

Standard Microsystems Corporation

Subsidiaries:

SMC International, Inc.
St. Thomas, U.S. Virgin Islands

Standard Microsystems Corporation (Asia)
Taipei, Republic of China

Standard Microsystems GmbH
Munich, West Germany

Toyo Microsystems Corporation
Tokyo, Japan

Transfer Agent(s):

Fidata Trust Company of New York
67 Broad Street
New York, New York 10004

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SMSC (NASDAQ)

Plant Footage:

1986	250,000 sq. ft.	1984	80,000
1985	80,000		

Sales and Earnings

	Net Sales	Net Income
1986	$ 44,463,000	$ 51,000
1985	69,062,000	13,617,000
1984	44,381,644	7,728,418
1983	26,999,772	2,959,260
1982	19,343,224	1,146,697

	No. of Com. Shares +	Earn. per Share ‡
1986	11,097,821	$
1985	10,912,019	1.23
1984	10,780,483	0.74
1983	7,722,841	0.35
1982	7,640,978	0.14

+ Adjusted to reflect stock split
‡ Based on the weighted average number of shares outstanding during the year adjusted to reflect stock split

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986			
1985			
1984	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1986	$ 84,638,000	$ 7.63
1985	83,150,000	7.62
1984	68,045,190	6.31
1983	26,150,232	3.39
1982	22,544,510	2.95

‡ Adjusted to reflect stock split

Income Account *

Year ended Feb. 28	1986	1985
Net sales & revenues	$ 44,463,000	$ 69,062,000
Cost of sales	25,031,000	26,520,000
Expenses	23,735,000	24,519,000
Interest expense	562,000	576,000
Interest income	(2,359,000)	(4,502,000)
Inc. (loss) bef. taxes	$ (2,506,000)	$ 21,949,000
Income taxes (credit)	(2,557,000)	8,332,000
Net Income	$ 51,000	$ 13,617,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,777,000 in 1986 and $5,360,000 in 1985.

Assets

As of Feb. 18	1986	1985
Cash & cert. of deposit	$ 21,374,000	$ 35,887,000
Accts. receiv.	8,910,000	10,777,000
Tax refunds	4,100,000	—
*Inventories	17,633,000	13,304,000
Prepaid expenses & other assets	611,000	182,000
Current Assets	$ 52,628,000	$ 60,150,000
#Fixed assets	46,723,000	43,881,000
Other assets	979,000	2,415,000
Total Assets	$ 100,330,000	$ 106,446,000

Liabilities

Long-term debt, curr.	$ 53,000	$ 110,000
Accts. payable & accruals	7,693,000	15,477,000
Income taxes	—	1,204,000
Curr. Liabilities	$ 7,746,000	$ 16,791,000
Long-term debt	4,560,000	4,613,000
Deferred inc. taxes	3,386,000	1,892,000
+ Common stock	1,110,000	1,091,000
Add. paid-in capital	52,342,000	50,924,000
Retained earnings	31,186,000	31,135,000
Total Liabilities & Shareholders' Equity	$ 100,330,000	$ 106,446,000

* At lower of cost (FIFO) or market
# Less accumulated depreciation and amortization
+ $0.10 par value

Statistical Summary

%Income bef. Taxes to Sales	—	31.78
%Net Income to Sales	0.11	19.72
%Net Income to Equity	0.06	16.38
Sales to Inventories	2.52	5.19
Debt to Equity	0.05	0.06
Working Capital	$44,882,000	$43,359,000
Current Ratio	6.79	3.58
Shareholders' Equity	$84,638,000	$83,150,000

Standex International Corporation

6 Manor Parkway
Salem, New Hampshire 03079
(603) 893-9701

Officers: Daniel E. Hogan, chairman of the board & chief exec. officer; Thomas L. King, president & chief operating officer; Sol Sackel, sr. v.p.; Samuel S. Dennis, III, v.p.; Robert E. Masotta, exec. v.p.; Arthur G. Houghton, v.p.-operations; John M. Wall, v.p.-industrial relations & corporate communications; John J. Bentley, controller; Thomas H. DeWitt, v.p., general counsel & secretary; Norman B. Asher, Charles Hartsock & Suzanne Zabitchuck, asst. secretaries; F. Warren Coulter, treasurer

Directors: Daniel E. Hogan*, Edward C. Bloomberg, John Bolten, Jr., William Brewster, William L. Brown*, Warren S. Cooper*, Samuel S. Dennis, III*, Thomas L. King*, John Hill, C. Kevin Landry, Sol Sackel, Daniel B. Hogan, Robert E. Masotta*, H. Nicholas Muller, III

* Member of the Executive Committee

Areas of Work: The Electronics Group manufactures electronic components, inductors, capacitors, connectors, EMI/RFI filters, microcoils, reed switches and reed relays. The Industrial Group manufactures embossing rolls and plates, mold engraving, specialty converting and finishing machinery and systems, ducting for heating, air-conditioning, and ventilation systems; power metal spinning of components for aerospace, energy systems, and industrial applications. The Consumer Products Group manufactures and sells pine furniture and furnishings through its Yield House mail order operation and manages a chain of 14 Yield House retail stores, sells grapefruit and other gift packages and fund raising supplies through other mail order operations. The Institutional Porducts Group manufactures patient feeding systems, handblown glassware, barbecuing and baking equipment, candle-lamps and candles, food waste disposers, refrigeration equipment, slicing machines and choppers, casters and wheels, and food racks, cabinets and carts. The Industrial Group manufactures institutional furniture and carbonator pumps. The Graphics Group publishes religious literature and manufactures election supplies; manufactures commercial printing products and educational materials and specialized binding systems; operates a chain of 27 religious retail bookstores.

Electronics Divisions & Subsidiaries:

B.F. Standex Electronics
4538 Camberwell Road
Cincinnati, Ohio 45209
(513) 871-3777

Manufacture of electronic components and assemblies for the color television, automotive and communications industries.

Van Products
4538 Camberwell Road
Cincinnati, Ohio 45225
(513) 871-3777

Manufacturer of hermetic electrical connectors for the refrigeration and air conditioning industries.

Standex Electronics (UK) Limited
Morley Road
Tonbridge, Kent, England
Tonbridge, 0732, 358023 England

Manufacturer of the full range of standard reed switches; also vacuum and high pressure reed switches and DIP reed relays for the telecommunications and electronics industries.

Standex Electronics (Haiti) S.A.
Avenue Haile Selassie
Rt. Simmonds
Port au Prince, Haiti

Manufacturer of fixed precision mica capacitors and variable mica capacitors for the automotive and communications industries.

Paul Smith Company (Douglas)
323 G Avenue
Douglas, Arizona 85607
(602) 364-7964

Manufacturer of electronic components.

Standex Electronics
P.O. Box 10147
3750 Prospect Avenue
Riviera Beach, Florida 33404

Manufacturer of EMI/RFI filters and quality control and warehousing operations supporting Standex Electronics (Haiti) S.A.

S.I. de Mexico S.A. de C.V.
Calle Primera #2550
Agua Prieta
Sonora, Mexico
(602) 364-7966

Manufacturer of electronic components.

Paul Smith Company
4538 Camberwell Road
Cincinnati, Ohio 45209
(513) 871-3777

Manufacturer of fixed and variable precision inductors for the color TV and communication industries; also of custom designed, high voltage transformers for solid state furnace ignition systems.

Electronics Acquisition(s):

Gerald L. Green Company
Fountain Valley, California

Designs, manufactures and installs digital measuring and monitoring equipment for cranes and other large lifting devices.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 664
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SXI

Number of Employees:

1985	5,100	1982	5,650
1984	5,700	1981	6,300
1983	5,600		

Plant Footage:

1985	1,296,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 375,275,000	$ 18,568,000
1984	378,547,000	20,006,000
1983	357,731,000	16,099,000
1982	365,658,000	13,536,000
1981	369,874,000	15,208,000

	No. of Com. Shares #	Earn. per Share #
1985	13,601,000	$ 1.37
1984	13,854,000	1.44
1983	13,612,000	1.18
1982	13,490,000	1.00
1981	13,425,000	1.13

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Graphics	$ 100,992	$ 94,832
Consumer	64,380	78,233
Institutional	107,816	100,660
Electronics	14,798	17,214
Industrial	86,823	87,213
General, corporate & other	466	395
Total	$ 375,275	$ 378,547

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.52	—	—
1984	0.50	—	—
1983	0.48	—	2-for-1
1982	0.47	—	—
1981	0.44	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 147,251,000	$ 10.83
1984	144,019,000	10.39
1983	132,614,000	9.72
1982	131,944,000	9.78
1981	127,854,000	9.49

‡ Adjusted to reflect stock split.

Income Account

Year ended June 30	1985	1984
Net sales	$ 375,274,925	$ 378,547,064
Other income	3,535,726	2,216,482
Total income	$ 378,810,651	$ 380,763,546
Cost of sales	237,867,112	233,227,590
Expenses	97,478,324	100,954,089
Depreciation & amortization	7,389,776	7,500,924
Interest expense	2,927,193	3,551,534
Income before taxes	$ 33,148,246	$ 35,529,409
Income taxes	14,580,000	15,523,000
Net Income	$ 18,568,246	$ 20,006,409

Assets

As of June 30	1985	1984
Cash	$ 5,198,048	$ 8,928,725
Receiv., net	48,595,817	50,302,335
*Inventories	77,203,629	83,915,802
Prepaid expenses	3,789,484	4,183,111
Current Assets	$ 134,786,975	$ 147,330,973
#Fixed assets	66,369,499	68,903,180
Receivables	6,268,035	7,180,535
Intangibles	11,082,601	11,307,537
Total Assets	$ 218,507,110	$ 234,722,225

Liabilities

Notes payable & long-term debt, curr	$ 6,998,042	$ 5,553,762
Accts. payable	16,751,932	21,965,018
Accruals	3,363,680	4,575,974
Accrued payroll	12,765,957	12,757,167
Income taxes	3,009,717	5,834,609
Curr. Liabilities	$ 42,889,328	$ 50,686,530
Long-term debt	19,942,615	32,205,018
Deferred inc. taxes	6,494,000	5,258,000
Other liab.	1,930,177	2,553,463
+ Common stock	20,988,209	20,979,959
Add. paid-in capital	6,345,464	6,557,026
Retained earnings	137,442,570	125,833,280
Cum. trans. adjust.	(9,206,277)	(7,817,352)
Treasury stock	(6,818,976)	(1,533,699)
Emp. stock ownership trust	(1,500,000)	—
Total Liabilities & Shareholders' Equity	$ 218,507,110	$ 234,722,225

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.83	9.39
%Net Income to Sales	4.95	5.29
%Net Income to Equity	12.61	13.89
Sales to Inventories	4.86	4.51
Debt to Equity	0.18	0.26
Working Capital	$ 91,897,647	$ 96,644,443
Current Ratio	3.14	2.91
Shareholders' Equity	$147,250,990	$144,019,214

The L. S. Starrett Company

121 Crescent Street
Athol, Massachusetts 01331
(617) 249-3551

Officers: Douglas R. Starrett, president; George B. Webber, Douglas A. Starrett, Charles H. Morrow, vice presidents; Roger U. Wellington, Jr., treasurer & chief financial officer; Richard W. Baker, controller; Roger Moore, clerk.

Directors: John N. Englsted, Walter W. Haskins, Carl O. Newton, Douglas R. Starrett, Robert M. Tyler, Lloyd B. Waring, George B. Webber, Douglas A. Starrett, J. Richard Bullock.

Areas of Work: Manufactures and sells electronic gages, dial indicators, precision measuring tools, three-axis coordinate measuring machines, steel tapes, gage blocks, optical measuring tools, granite surface plates, vises, hacksaws, hole saws, band saws and precision ground flat stock.

Subsidiaries:

The L. S. Starrett Co. of Canada Limited
Industria e Comercio L. S. Starrett S.A. (Brazil)
The L. S. Starrett Company Limited (Scotland)
The L. S. Starrett International Company (Barbados)

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: SCX

Number of Employees:

1985	2,252	1982	2,343
1984	2,114	1981	2,533
1983	2,102		

Plant Footage:

1985	975,200 sq. ft.	1983	887,200
1984	887,200		

Sales and Earnings

	Net Sales	Net Income
1985	$ 118,386,000	$ 12,734,000
1984	105,842,506	8,612,484
1983	88,519,951	6,201,060
1982	112,741,912	11,304,862
1981	122,451,341	13,790,818

	No. of Com. Shares	Earn. per Share ‡
1985	3,637,574	$ 3.43
1984	3,743,605	2.27
1983	3,793,609	1.61
1982	3,846,838	2.92
1981	3,832,185	3.52

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$1.02	—	—
1984	1.00	—	—
1983	1.00	—	—
1982	1.05	—	—
1981	1.00	—	2-for-1

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 72,685,000	$ 19.98
1984	79,247,879	21.17
1983	77,488,600	20.43
1982	77,346,848	20.11
1981	72,166,945	18.83

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 118,386	$ 105,843
Cost of sales	73,021	68,045
Expenses	21,378	19,913
Other income	(169)	(118)
Income before taxes	$ 24,156	$ 18,003
Income taxes	11,422	9,391
Net Income	$ 12,734	$ 8,612

* Included in Costs and Expenses, Depreciation: $3,720,000 in 1985 and $3,467,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash and equivalents	$ 19,120	$ 22,055
Accts. receiv., net	18,068	17,302
*Inventories	38,053	34,171
Prepaid expenses	4,158	3,545
Current Assets	$ 79,399	$ 77,073
#Fixed assets	25,166	20,314
Other assets	596	341
Total Assets	$ 105,161	$ 97,728

Liabilities
(000's)

Accts. payable & accruals	$ 10,939	$ 7,197
Accrued wages	4,075	3,821
Employee deposits	879	865
Income taxes	5,511	5,383
Curr. Liabilities	$ 21,404	$ 17,266
Deferred inc. taxes	764	1,214
ESOP guaranteed bank loan	10,308	—
+ Common stock	3,638	3,744
Add. paid-in capital	17,934	9,061
Retained earnings	64,942	69,386
For. curr. trans. adj.	(3,521)	(2,943)
ESOP guaranteed bank loan	(10,308)	—
Total Liabilities & Shareholders' Equity	$ 105,161	$ 97,728

The L. S. Starrett Company

* At lower of cost or market. (Domestic inventories at LIFO, all others at FIFO).
# Less accumulated depreciation.
+ $1.00 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.40	17.01
%Net Income to Sales	10.76	8.14
%Net Income to Equity	17.52	10.87
Sales to Inventories	3.11	3.10
Working Capital	$57,995,000	$59,807,000
Current Ratio	3.71	4.46
Shareholders' Equity	$72,685,000	$79,248,000

Sterling Electronics Corporation

4201 Southwest Freeway
Houston, Texas 77027
(713) 623-6600

Officers: Michael S. Spolane, chairman of the board & chief exec. officer; Leopold S. Baer, president & chief operating officer; Thomas McGinty, v.p.-materials management; Leon Webb, Jr., v.p. & treasurer; Byron Turner, Charles Aronis, James McConkey III, v.p.'s-Industrial Marketing Group.

Directors: Michael S. Spolane, chairman; Leopold S. Baer, Herschel G. Maltz, Sheldon Lambert, A. J. Dreiseszun, David Toomim.

Areas of Work: Distributes, through its subsidiaries, electronic component and replacement parts, testing equipment and sound reproduction materials to industrial markets. Manufactures panel meters, avionic mechanisms and edge lighted panels.

Divisions and Subsidiaries:

Industrial Distribution Group
4201 Southwest Freeway
Houston, Texas 77027
(713) 623-6600

Component Manufacturing Group

Airmark Plastics Corporation
Corsa Drive
Westlake Village, California 91361
(213) 889-1470

Phaostron Instrument and Electronics Co.
151 Pasadena Avenue
South Pasadena, California 91030
(214) 255-1417

Phaostron East
70 Dale Street
West Babylon, New York 11704
(516) 293-6622

Sterling Computer Systems, Inc. (90% owned)

Commercial Sound and Telecommunications
Houston, Texas

Transfer Agent(s):

Texas Commerce Bank
c/o Stock Transfer Department
P.O. Box 2558
Houston, Texas 77001

Stock Exchange(s): American

Ticker Symbol: SEC

Number of Employees:

1985	474	1982	460
1984	448	1981	499
1983	423		

Plant Footage:

1985	242,600 sq. ft.	1982	239,000
1984	242,600	1981	84,500
1983	239,000		

Sales and Earnings

	Net Sales +	Net Income # +
1985	$ 57,618,402	$ 470,421
1984	50,639,110	621,370
1983	40,073,497	(412,852)
1982	43,851,205	(683,189)
1981	45,719,163	223,361

	No. of Com. Shares ‡	Earn. per Share #‡
1985	3,713,452	$ 0.12
1984	3,632,761	0.16
1983	3,631,335	—
1982	3,631,335	—
1981	3,631,348	0.06

(Loss)
+ Of continuing operations only.
# Including extraordinary gain of $86,438 ($0.02 per share) in 1981.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1985	$ 6,937,435	$ 1.87
1984	6,113,356	1.68
1983	4,596,133	1.27
1982	5,030,142	1.39
1981	5,045,602	1.39

‡ After allowing for preferred stock at aggregate liquidation preference.
+ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended	3/30/85	3/31/84
Net sales & services	$ 57,618,402	$ 50,639,110
Other income	65,442	412,192
Total Income	$ 57,683,844	$ 51,051,302
Cost of sales & services	43,083,183	38,197,784
Expenses	12,682,514	10,854,561
Interest expense	965,544	708,157
Income bef. taxes	$ 952,603	$ 1,290,800
Income taxes	447,000	606,000
Minority interest	35,182	63,430
Net Income	$ 470,421	$ 621,370

* Included in Costs and Expenses, Depreciation and Amortization: $423,203 in 1985 and $331,735 in 1984.

Assets

As of	3/30/85	3/31/84
Cash	$ 922,998	$ 788,884
Accts. receiv., net	7,084,630	7,542,324
*Inventories	9,650,034	8,879,911
Prepaid expenses	130,640	142,056
Current Assets	$ 17,788,302	$ 17,353,175
#Fixed assets	1,659,803	1,830,569
Other assets	490,417	379,575
Total Assets	$ 19,938,522	$ 19,563,319

Liabilities

Long-term debt, curr.	$ 255,320	$ 367,333
Accts. payable	2,212,354	3,081,724
Accruals	1,338,106	1,458,015
Curr. Liabilities	$ 3,805,780	$ 4,907,072
Long-term oblig.	7,999,917	7,163,288
Minority interest	388,360	575,755
Deferred taxes, comp. & other	215,230	212,048
+ Preferred stock	73,975	73,975
+ + Common stock	2,049,420	2,049,413
Add. paid-in capital	5,573,668	5,197,825
Retained earnings (deficit)	612,363	164,134
Treasury stock	(780,191)	(780,191)
Total Liabilities & Shareholders' Equity	$ 19,938,522	$ 19,563,319

* At lower of cost (FIFO) or estimated market.
# Less accumulated depreciation and amortization.
+ $2.50 par value, cumulative convertible.
+ + $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.65	2.55
%Net Income to Sales	0.82	1.23
%Net Income to Equity	6.25	9.27
Sales to Inventories	5.97	5.70
Debt to Equity	1.10	1.12
Working Capital	$13,982,522	$12,446,103
Current Ratio	4.67	3.54
Shareholders' Equity	$ 7,529,235	$ 6,705,156

Stewart-Warner Corporation

1826 Diversey Parkway
Chicago, Illinois 60614
(312) 883-6000

Officers: Bennett Archambault, chairman of the board & president; Terry E. Carroll, v.p. & general manager-South Wind Division; Robin M. Demouth, v.p., secretary & gen. counsel; Wesley J. Kiley, v.p.; Milo B. Lipscomb, gen. mgr.-Bassick-Sack Division; Harold B. MacMahon, v.p. & gen. mgr.-Hobbs Division; Albert C. Madge, chief operating executive-Stewart-Warner Corporation of Canada Limited; Thomas J. McCook, v.p. & general mgr.-Alemite & Instrument Divisions; Jack C. Morrison, v.p., controller & treasurer; Donald A. Potter, v.p. & gen. mgr.-Stewart-Warner Electronics Division; Robert H. Reid, v.p. & gen. mgr.-Bassick Division; Donald J. Bachner, v.p. & gen. mgr.-Stewart-Warner International Division; Robert J. Lytle, gen. mgr.-Thor Power Tool Div.; David T. Stafford, director-industrial relations.

Directors: Bennett Archambault, chairman; Irvin R. Danielson, James S. Kemper, Jr., Daniel R. Toll, Thomas L. Martin, Jr., Jack C. Morrison, Archie R. Boe, John C. Stetson.

Divisions:

Alemite Division
1826 Diversey Parkway
Chicago, Illinois 60614
(312) 883-6000
and
Roweland Drive
Johnson City, Tennessee 37601

Products include industrial lubricating equipment, fluid materials handling equipment, automotive service equipment, and hydraulic couplings and hose.

Stewart-Warner Instrument Division
1854 Diversey Parkway
Chicago, Illinois 60614
(312) 883-6000

Products include speedometers, tachometers and gauges, flexible drive shafts, electric fuel pumps and industrial balancing equipment.

Stewart-Warner Electronics Division
1300 North Kostner Avenue
Chicago, Illinois 60651
(312) 292-3000

Products include photoelectric and numerical controls for machines; information display systems, military electronics systems, machine tool controls.

South Wind Division
1514 Drover Street
Indianapolis, Indiana 46221
(317) 632-8411
and
RR2, Box 20
Burkesville, Kentucky 42717

Bassick Division
960 Atlantic Street
Bridgeport, Connecticut 06602
(203) 366-3671

600 North Strong Avenue
Spring Valley, Illinois 61362
(815) 664-2311

Products include casters, furniture glides, swivel chair mechanisms and clamps and fasteners.

Bassick-Sack Division
2941 Indiana Avenue
Winston-Salem, North Carolina 27105
(919) 725-1331

Manufacturer of furniture and cabinet hardware and decorative trim, for the home and office furniture industries.

Hobbs Division
Yale Boulevard and Ash Street
Springfield, Illinois 62705
(217) 753-7600

State Route 6
Spring Valley, Illinois 61362
(815) 663-2011

Products include hour meters, pressure and vacuum switches, electromechanical devices, and lighting products for automotive, farm, and construction equipment.

Stewart-Warner International Division
1830 Diversey Parkway
Chicago, Illinois 60614

Responsible for the manufacture and sales activities of the foreign subsidiary companies and two joint ventures.

Subsidiaries:

Thor Power Tool Company
Roweland Drive
Johnson City, Tennessee 37601

Air and hydraulically powered tools.

Stewart-Warner Display Systems, Inc
1300 North Kostner Avenue
Chicago, Illinois 60651
(312) 292-3000
and
233 Broadway
New York, New York 10007

Stewart-Warner Corporation of Canada, Limited
349 MacDonald Avenue
Belleville, Ontario, Canada
(613) 968-6761

Ickmeld Instruments, Ltd
Jubilee Rd.
Letchworth, Hertfordshire, England

Stewart-Warner, Alemite G.m.b.H.
Stockshausstrasse 9,
401 Hilden, Germany

Industrial Alemex, S.A. de C.V. *
Tapia 836 Oriente
Monterrey, N.L., Mexico

Thor Power Tool GmbH
Mathias-Bruggen Str. 4A
5 Cologne, (Bickendorf) Germany

Stewart-Warner Limited
Tynemouth, Tyne and Wear, England

Herramientas Thor de Mexico, S.A. de C.V.
Tapia 386 Oriente
Monterrey, N.L. Mexico

Thor-Fiap S.p.A.
Torino, Italy

Wadco Tools Ltd. *
New Delhi 1, India

* Joint Ventures

Transfer Agent(s):

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: STX

Number of Employees:

1985	N.A.	1982	4,900
1984	5,500	1981	7,100
1983	5,500		

Plant Footage:

1985	N.A.	1982	4,239,000
1984	3,842,000 sq. ft.	1981	4,239,000
1983	3,915,000		

N.A. - Not Available

Sales and Earnings

	Net Sales	Net Income
1985	$ 272,701,000	$ 8,515,000
1984	290,364,000	11,663,000
1983	265,120,000	5,293,000
1982	281,140,000	6,941,000
1981	328,821,000	15,374,000

	No. of Com. Shares +	Earn. per Share +
1985	6,467,000	$ 1.32
1984	6,447,000	1.81
1983	6,441,000	0.82
1982	6,435,000	1.08
1981	6,467,000	2.38

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Electronic & electro-mechanical systems & products	$ 119,600	$ 126,500
Fabricated metal prods. & hardware	42,400	48,900
Vehicular service equipment & materials	67,200	65,500
Specialty prods. & others	43,500	49,500
Total	$ 272,700	$ 290,400

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$1.68	—	—
1984	1.68	—	—
1983	1.68	—	—
1982	1.68	—	—
1981	1.55	—	5-for-4

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 166,559,000	$ 25.76
1984	167,041,000	25.91
1983	167,735,000	26.04
1982	173,361,000	26.94
1981	178,212,000	27.68

† Adjusted to reflect stock split.

Income Account

Year ended Dec. 31	1985	1984
Net sales	$ 272,701,000	$ 290,364,000
Cost of sales	211,141,000	221,760,000
Expenses	51,910,000	52,633,000
Other income	(4,294,000)	(1,477,000)
Income before taxes	$ 13,944,000	$ 17,448,000
Income taxes	5,429,000	5,785,000
Net Income	$ 8,515,000	$ 11,663,000

Assets

As of Dec. 31	1985	1984
Cash & time deposits	$ 14,260,000	$ 10,527,000
Marketable securities	16,344,000	19,655,000
Receivables, net	36,174,000	38,611,000
*Inventories	82,205,000	81,459,000
Future tax benefits	8,878,000	10,330,000
Current Assets	$ 157,861,000	$ 160,582,000
Investments	8,624,000	8,289,000
#Fixed assets	39,682,000	40,818,000
Other assets	4,275,,000	4,296,000
Total Assets	$ 210,442,000	$ 213,985,000

Liabilities

Long-term debt, curr.	$ 10,000	$ 115,000
Accts. payable	12,277,000	14,605,000
Accruals	5,453,000	7,446,000
Accrued payroll	8,628,000	8,581,000
Income taxes	1,289,000	2,037,000
Other taxes	3,652,000	3,577,000
Curr. Liabilities	$ 31,309,000	$ 36,361,000
Deferred income taxes	3,236,000	1,964,000
Long-term debt	90,000	310,000
Pensions & deferred payments	9,248,000	8,309,000
+ Common stock	16,832,000	16,832,000
Add. paid-in capital	29,202,000	28,726,000
Retained earnings	123,857,000	126,188,000
Treasury stock	(665,000)	(713,000)
Translation adjustment	(2,390,000)	(3,152,000)
Investment allowance	(277,000)	(840,000)
Total Liabilities & Shareholders' Equity	$ 210,442,000	$ 213,985,000

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation.
+ $2.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.11	6.01
%Net Income to Sales	3.12	4.02
%Net Income to Equity	5.11	6.98
Sales to Inventories	3.32	3.56
Working Capital	$126,552,000	$124,221,000
Current Ratio	5.04	4.42
Shareholders' Equity	$166,559,000	$167,041,000

Stocker & Yale, Inc.

P.O. Box 494
Route 128 and Brimbal Avenue
Beverly, Massachusetts 01915
(617) 927-3940

Officers: James Bickman, president & treasurer; John H. Rieman, v.p.; Leonidas V. Chalas, v.p.-finance; Norman B. Asher, clerk.

Directors: James Bickman, Norman B. Asher, Harold M. Band, Leonidas V. Chalas, John H. Rieman, Theodore Singer, George F. Stocker.

Areas of Work: Designs, manufactures, assembles and markets products primarily in five industry segments: optical/electronic measuring instruments, machine tool accessories, material handling accessories, pressure control systems, and lensatic compasses.

Divisions:

Stilson Division
Fraser, Michigan

Machine tool and material handling accessories for the automotive, appliance, automated and other high production industries.

Die-Draulic Division
Fraser, Michigan

Manufacturer of hydraulic spring structures for use in stamping presses and dies.

Acquisition(s):

MFE Instruments Corporation
Salem, New Hampshire

Manufactures galvanometers and chart recorder instruments for medical and industrial applications.

Transfer Agent(s):

The First National Bank of Boston
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: STKR (NASDAQ)

Sales and Earnings

	Net Sales	Net Income
1985	$ 13,085,103	$ 2,152,362
1984	7,813,231	1,939,330
1983	7,442,306	1,437,480
1982	7,012,898	1,206,225
1981	8,359,222	1,439,839

	No. of Com. Shares ‡	Earn. per Share †
1985	1,364,249	$ 1.58
1984	1,364,249	1.42
1983	1,364,249	1.05
1982	1,364,249	0.88
1981	1,364,249	1.06

‡ Adjusted to reflect stock split.
† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.160		—
1984	0.145	—	—
1983	0.124	—	3-for-2
1982	0.107	—	—
1981	0.107	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 12,053,892	$ 8.84
1984	10,119,810	7.42
1983	8,378,300	6.14
1982	7,109,238	5.21
1981	6,048,534	4.43

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 13,085,103	$ 7,813,231
Cost of sales	7,558,643	4,138,833
Expenses	2,137,492	1,217,681
Interest expense	168,657	116,696
Interest income	(449,072)	(394,476)
Dividend income	(301,979)	(253,933)
Income before taxes	$ 3,971,362	$ 2,988,430
Income taxes	1,819,000	1,049,100
Net Income	$ 2,152,362	$ 1,939,330

* Included in Costs and Expenses, Depreciation: $295,377 in 1985 and $95,728 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 186,578	$ 751,716
Short-term investment	2,317,687	3,016,884
Marketable securities	5,143,917	3,436,834
Receiv., net	2,486,785	1,453,290
*Inventories	3,352,936	2,009,830
Prepaid expenses	113,812	54,418
Current Assets	$ 13,601,715	$ 10,722,972
#Fixed assets	2,827,580	1,993,533
Total Assets	$ 16,429,295	$ 12,716,505

Liabilities

Long-term debt, curr.	$ 219,356	$ 133,598
Notes payable	475,357	—
Accts. payable	812,860	294,815
Accruals	989,487	407,102
Income taxes	78,205	34,397
Curr. Liabilities	$ 2,575,265	$ 869,912
Long-term debt	1,663,355	1,635,000
Deferred inc. taxes	136,783	91,783
+ Common stock	1,364,249	1,364,249
Retained earnings	10,689,643	8,755,561
Total Liabilities & Shareholders' Equity	$ 16,429,295	$ 12,716,505

* At lower of cost (principally FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	30.35	38.25
%Net Income to Sales	16.45	24.82
%Net Income to Equity	17.86	19.16
Sales to Inventories	3.90	3.89
Debt to Equity	0.20	0.17
Working Capital	$11,026,450	$ 9,853,060
Current Ratio	5.28	12.33
Shareholders' Equity	$12,053,892	$10,119,810

Storage Technology Corporation

(Operating under Chapter 11 of the U.S. Bankruptcy Code.)

2270 South 88th Street
Louisville, Colorado 80028
(303) 673-5151

Officers: Ryal R. Poppa, chairman & chief exec. officer; Stephen G. Jerritts, president & chief operating officer; Robert G. Costain, corp. v.p.-strategic planning; Richard R. Douglas, corp. sr. v.p.-marketing & services; William R. Mansfield, Jr., exec. v.p.-finance & chief financial officer; Walter E. Meyers, corp. v.p.-mfg.; Harris Ravine, exec. v.p., chief administrative officer, corp. secretary & gen. counsel; Sewell I. Sleek, corp. v.p.-systems development; Gregory A. Tynn, corp. v.p. & corp. controller; Carl R. Vertuca, corp. v.p. & treasurer; William M. Young, corp. v.p.-human resources.

Directors: Ryal R. Poppa, chairman; Charles R. Collins, Richard C. Steadman, Robert A. Burgin, Robert E. LaBlanc, Thomas F. Wands, Stephen G. Jerritts, Harrison Shull.

Areas of Work: Engaged in the design, development and manufacture of computer data storage subsystems and the marketing and maintenance of those subsystems. The subsystems utilize one-half inch magnetic tape and magnetic disk recording techniques. Also engaged in the design, manufacture and service of high speed impact printers and card readers. Also manufactures telecommunications products.

Subsidiaries:

Media Technology Corporation
Documation Incorporated
Storage Technology Finance Corporation

Storage Technology of Australia Pty. Ltd
586 Pacific Highway
Chatswood, New South Wales
2067 (Sydney) Australia

Storage Technology of Canada, Ltd.
51 International Boulevard
Rexdale/Toronto
Ontario M3W 6H3
Canada

Storage Technology Corporation, S.A.
Zone Industrielle
41 Rue Fourny
78350 BUC, France

Storage Technology Italia S.p.A.
Via Elio Vittorini, 78
Palazzo Uffici
00144 Rome, Italy

Nippon STC Kabushiki Kaisha
Taneda Building, 8F, 2-5, 1-Chome
Moto Akasaka
Minato-Ku, Tokyo 107
Japan

Storage Technology Corporation de Puerto Rico Inc.
Highway 127, Lot #13
P.O. Box 7334
Ltuge Industrial Park
Ponce, Puerto Rico 00731

Documation Mayaguez
STC
Zona Industrial Park
P.O. Box 398
Mayaguez, Puerto Rico 00708

Storage Technology (Switzerland) A.G.
Gladbachstrasse 121
8044 Zurich, Switzerland

STO Storage Technology Ltd.
Churston House
Portsmouth Road
Esher, Surrey KT 10 9AD
England

Storage Technology (Europe) Limited
European Headquarters
17 Old Court Place
Kensington, London W8 4PL
England

Transfer Agent(s):

First National Bank of Boston
Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York, Boston, Philadelphia, Pacific

Ticker Symbol: STK

Number of Employees:

1985	8,540	1982	15,830
1984	14,886	1981	15,197
1983	15,732		

Plant Footage:

1985	2,020,000 sq. ft.	1983	N.A.
1984	N.A.	1982	3,776,700

N.A. - Not Available

Sales and Earnings

	Revenues (000's)	Net Income (000's) ‡
1985	$ 673,419	$ (57,437)
1984	808,584	(505,454)
1983	886,626	(40,867)
1982	1,079,235	64,738
1981	921,963	82,400

	No. of Com. Shares	Earn. per Share + ‡
1985	34,674,908	$ —
1984	34,561,435	—
1983	34,214,997	—
1982	34,124,756	1.88
1981	33,372,506	2.50

(Loss)
‡ Including extraordinary credits of $2,479,000 ($0.07 per share) in 1985 and $1,411,000 ($0.04 per share) in 1982.
+ Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ (54,421,000)	$ —
1984	2,800,000	0.08
1983	503,069,000	14.70
1982	543,308,000	15.92
1981	466,010,000	13.97

(Deficiency)

Income Account *
(000's)

Year ended	12/27/85	12/28/84
Net sales	$ 327,259	$ 472,663
Other income	346,160	335,921
Total income	$ 673,419	$ 808,584

Cost of sales	547,239	744,998
Expenses	185,069	278,714
Interest expense	7,159	65,026
Interest income	(30,957)	(27,365)
Reorganization costs	3,500	279,693
Loss before taxes	(38,591)	(32,482)
Income taxes (credit)	5,134	(27,028)
Net Loss	$ (43,725)	$ (505,454)
Extraord. gain	2,479	—
Cum. effect of change in accntng. meth.	(16,191)	—
Net Loss & extraord. gain	$ (57,437)	$ (505,454)

* Included in Costs and Expenses, Depreciation and Amortization: $113,259,000 in 1985 and $133,096,000 in 1984.

Assets
(000's)

As of	12/27/85	12/28/84
Cash	$ 230,271	$ 79,146
Accts. receiv., net	103,525	174,092
Notes receiv., net	8,432	9,116
Sales-type leases	63,412	42,493
*Inventories	81,412	170,968
Current Assets	$ 487,052	$ 475,815
Notes receiv., net	24,530	13,697
Sales-type leases	88,995	96,308
Rental equipment	69,905	69,361
#Fixed assets	132,763	169,986
†Spare parts	67,024	71,420
Assets rel. to divest.	9,740	28,714
Invest. in fin. subsid.	24,403	24,403
Other assets	14,296	22,803
Total Assets	$ 918,708	$ 972,507

Liabilities
(000's)

Long-term debt, curr.	$ 19,733	$ 33,027
Accts. payable	10,596	5,816
Accruals	166,545	130,565
Income taxes	5,590	585
Curr. Liabilities	$ 202,464	$ 169,993
Liab. subj. to Chap. XI	611,979	645,496
Payable to fin. subsid.	138,017	138,017
Long-term debt	17,756	13,412
Deferred income taxes	2,913	2,789
+ Common stock	3,469	3,458
Add. paid-in capital	260,751	260,546
Retained earnings (deficit)	(318,413)	(260,976)
Treasury stock	(228)	(228)
Total Liabilities & Shareholders' Equity	$ 918,708	$ 972,507

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
† Less accumulated amortization.
+ $0.10 par value

Statistical Summary

Sales to Inventories	4.02	2.76
Working Capital	$284,588,000	$305,822,000
Current Ratio	2.41	2.80
Shareholders' Equity (Deficiency)	$ (54,421)	$ 2,800,000

Sun Chemical Corporation

200 Park Avenue
New York, New York 10166
(212) 986-5500

Officers: Norman E. Alexander, chairman of the board & chief executive officer; Robert E. Davis, president & chief operating officer; Stuart Z. Krinsly, sr. exec. v.p. & general counsel; Gerald S. Gutterman, exec. v.p.-finance & administration; Dennis M. Libutti, v.p.- Graphic Equipment Group; Bernard M. Jaffe, v.p. & secretary; Richard E. France, v.p.-purchasing; Monroe Adlman, v.p.-taxes; W.V. Machaver, v.p.-industrial relations; Massie E. Odelotti, v.p.-general printing ink div.; Joseph D. Allwarden, v.p.-Avionics, Kollsman Instrument Div.; Ronald H. Wright, v.p.-Kollsman Instrument Div.; Richard P. Schneider, dir. of strategic planning; Daniel J. Carlick, v.p.-research & development; David J. O'Brien, v.p. & treasurer; Linda G. Kyriakou, dir. of corp. communications; Henri Dyner, v.p.-Intenational Graphic Arts; William E. Morris, v.p.-Chemicals Div.; Brooke Westover, v.p.-Casco Products; Louis J. Gaspari, v.p.-GPi Operations; Paul W. Klein, v.p.-Pigments Division; Donald S. Bunin, v.p.-engineering; Peter Ludwig, v.p.- International Pigments; William P. Ksiazck, controller; Leonard S. Rodin, asst. treasurer.

Directors: Norman E. Alexander*, chairman of the board; A. Leon Fergenson*, Raymond Frankel, David S. Gottesman, Stuart Z. Krinsly*, Donald D. Kummerfeld, Richard S. LeFrak, Norman I. Schafler, Fred R. Sullivan, Robert E. Davis*, Gerald Tsai, Jr.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets products for the graphic arts industry, including printing inks and organic pigment colorants and graphic arts equipment such as cylindrical decorators, and labelers for glass and plastic containers, and ultraviolet ink, curing units. Products for the non-graphic arts include textile finishing chemicals, aircraft altimetery and instrumentation, and auto cigarette lighters, and replacement vacuum chambers for ignition systems.

Through its Kollsman-Instrument Division the company is also engaged in the manufacture of thermal night sight, laser range finders, ballistic computers and related sensing devices for the U.S. Army.

Divisions and Subsidiaries:

Graphic Arts Group and General Printing Ink Division
135 West Lake Street
Northlake, Illinois 60164
(312) 562-0550

Graphic Arts Group Laboratory
631 Central Avenue
Carlstadt, New Jersey 07072
(201) 933-4500

Colors Group
4605 Este Avenue
Cincinnati, Ohio 45232
(513) 681-5950

Pigments Division
411 Sun Avenue
Cincinnati, Ohio 45232
(513) 681-5950

Dispersions Division
3922 Bach-Buxton
Amelia, Ohio 45102
(513) 753-9550

Graphic Equipment Group and Rutherford Machinery Division
401 Central Avenue
East Rutherford, New Jersey 07073
(201) 933-1200

M.E.G. (U.S.) Inc. & Rutherford Machinery Division
401 Central Avenue
East Rutherford, New Jersey 07073

Standun Canforming Systems
2943 E. Las Hermana Street
Rancho Dominguez, California 90221
(213) 557-5230

Special Products Engineering Corp.
126 Gould Streetue
Needham, Massachusetts 02194
(617) 444-8422

Instruments Group

Kollsman Instrument Division & Avionic Products
Daniel Webster Highway South
Merrimack, New Hampshire 03054
(603) 889-2500

KMC Division
10 Columbia Drive
Amherst, New Hampshire 03031
(603) 880-7746

Chemicals Division
P.O. Box 70
Chester, South Carolina 29706
(803) 385-5181

Casco Products Corporation
512 Hancock Avenue
Bridgeport, Connecticut 06602
(203) 366-4511

Encres Dresse, S.A.
Brussels, Belgium

General Printing Ink Corporation of Canada, Ltd.
Weston, Ontario, Canada

Ault & Wiborg Group, P/C Limited (83% owned)
London, England

Grafisk Farg (50% owned)
Stockholm, Sweden

Oy Magenta (37% owned)
Helsinki, Finland

Sun Chemical (U.K.) Inc.
London England

Societe France Couleurs, S.A.
Vaujours, France

Materiels Equipements Graphiques
Evry, France

Sun France Inc.
Huningue, France

Kollsman System-Technik, GmbH
Munich, Germany

Baglini S.p.A. (92% owned)
Florence, Italy

Quimica Flesch S.A. (50% owned)
Santiago, Chile

Sun Chemical de Centro America, S.A. de C.V. (40% owned)
San Salvador, El Salvador

FyL Mexicana, S.A. de C.V.
Mexico City, Mexico

Sun General Printing Ink (Pty.) Ltd. (50% owned)
Capetown, South Africa

Sun Chemical de Panama, S.A. (50% owned)
Panama, Republic of Panama

General Printing Ink (Australia) Pty. Ltd. (50% owned)
Victoria, Australia

Acquisition(s):

Special Products Engineering Company
Manufactures in-line finishing equipment for publication printers.

Intercontinental Dynamics Corp.
Manufactures flight instrumentation for corporate and commuter aircraft.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 W. 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: SNL

Number of Employees:

1985	8,000	1982	6,400
1984	8,300	1981	6,300
1983	6,700		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 883,900	$ 4,100
1984	872,900	25,200
1983	746,600	9,500
1982	664,300	1,900
1981	598,800	26,500

Sun Chemical Corporation

	No. of Com. Shares	Earn. per Share #
1985	7,807,374	$ 0.52
1984	7,791,663	3.23
1983	7,541,606	1.24
1982	7,492,991	0.26
1981	7,490,204	3.41

+ Of continuing operations only.
# Based on the average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Graphic arts material	$ 557,226	$ 556,031
Graphic arts equip.	77,629	61,224
Instruments	161,257	169,088
Other	87,752	86,605
Total	$ 883,864	$ 872,948

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.48	—	—
1984	0.48	—	—
1983	0.48	—	—
1982	0.48	—	—
1981	0.48	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 192,123,000	$ 24.61
1984	178,501,000	22.91
1983	162,180,000	21.50
1982	165,554,000	22.09
1981	177,667,000	23.72

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 883,864	$ 872,948
Cost of sales	641,127	630,660
Expenses	182,098	167,239
Oper. profit	$ 60,639	$ 75,049
Other expense	18,695	10,480
Eq. in loss of Chromalloy Amer.	585	2,261
Eq. in loss (earn.) of affil. cos.	114	(693)
Interest expense	19,930	20,607
Loss on dispos. of assets	9,150	—
Inc. bef. taxes	$ 12,165	$ 42,394
Income taxes	8,096	16,142
Inc-cont.oper	$ 4,069	$ 26,252
Loss-Chromalloy's discont. oper.	—	(1,034)
Net Income	$ 4,069	$ 25,218

* Included in Costs and Expenses, Depreciation: $24,758,000 in 1985 and $20,649,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 14,713	$ 15,780
Short-term invest.	22,722	16,814
Accts. & notes receiv., net	157,928	137,811
*Inventories	135,138	138,943
Prepaid expenses	10,718	8,857
Current Assets	$ 341,219	$ 318,205
Investments	114,459	86,696
#Fixed assets	202,984	178,292
Defer. charges	7,456	4,739
Intangibles	4,388	4,337
Total Assets	$ 670,506	$ 592,269

Liabilities
(000's)

Bank loans	$ 5,421	$ 4,532
Long-term debt, curr.	4,216	4,139
Accts. payable	88,250	81,534
Accrued expenses	91,456	65,309
Accrued inc. taxes	47,162	2,331
Curr. Liabilities	$ 236,505	$ 157,845
Long-term debt	200,745	171,702
Minority interest	15,919	17,725
Deferred inc. taxes	25,214	66,496
+ Common stock	7,822	7,822
Add. paid-in capital	40,337	40,607
Cum. trans. adjust.	(21,884)	(35,071)
Retained earnings	166,192	165,870
Treasury stock	(344)	(727)
Total Liabilities & Shareholders' Equity	$ 670,506	$ 592,269

* At lower of cost or market. Domestic inventories (excluding instrument and graphic equip. segments) at LIFO; remainder at FIFO.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.38	—
%Net Income to Sales	0.46	—
%Net Income to Equity	2.12	14.13
Sales to Inventories	6.54	6.28
Debt to Equity	1.07	0.99
Working Capital	$104,714,000	$160,360,000
Current Ratio	1.44	2.02
Shareholders' Equity	$192,123,000	$178,501,000

Sun Electric Corporation

One Sun Parkway
Crystal Lake, Illinois 60014
(815) 459-7700

Officers: D. Barry Davis, chairman of the board, president & chief executive officer; Ronald K. Parrish, sr. v.p.-engineering & manufacturing; H. Allan Stark, sr. v.p.-legal & human resources & secretary; Craig A. Loomis, sr. v.p.-finance & chief financial officer; Adilson R. DeLuna, v.p.-international operations & president-Sun Electric Europe; John D. Heidewald, v.p.-sales & service.

Directors: D. Barry Davis*, chairman; Philip R. Clarke, Jr.*, Louis G. Langpop*, William E. Callahan*, C.J. Gauthier*, Julius Lewis*, Gerald A. Kien*, H. Allan Stark, Craig A. Loomis.

* Member of the Executive Committee.

Areas of Work: Engaged in the design, manufacture and marketing of diagnostic, test and service equipment for the transportation industry, utilizing microcomputer applications and advanced electronics. The company serves primarily the vehicle service industry, consumers, and motor vehicle manufacturers in more than 100 countries. Sun Electric's product line includes engine and emissions analyzers; wheel service equipment, including balancers, aligners and brake service equipment; a line of hand-held engine test equipment for home mechanics and repair professionals; and air conditioning and electrical systems testers. These products aid in vehicle maintenance, improve fuel economy, monitor exhaust emissions and check compliance with safety standards.

Divisions and Subsidiaries:

Suntronic Division
Crystal Lake, Illinois

Vehicle Test Technology, Inc.
Bellevue, Washington

Sun Electric do Brasil Comercio e Industria Limitada
Sao Paulo, Brazil

Sun Electric Europe B.V.
Amsterdam, The Netherlands

Sun Electric Austria GmbH
Vienna, Austria

Suntester (Aust.) Pty. Ltd.
Sydney, Australia

Sun Electric de Puerto Rico, Inc.
Arecibo, Puerto Rico

Sun Electric de Mexico S.A. de C.V.
Mexico City, Mexico

Sun Electric U.K. Limited
King's Lynn, Norfolk, England

Sun Electric Belgium N.V.
Antwerp, Belgium

Sun Electric Nederland B.V.
Amsterdam, The Netherlands

Sun Electric Deutschland GmbH
Dusseldorf, West Germany

Sun Electric France, S.A.
Paris, France

Suntester Canada Ltd.
Toronto, Ontario, Canada

Sun Electric Systems B.V.
Weesp, The Netherlands

Musashi Sun Electric K.K.
Tokyo, Japan

Transfer Agent(s):

Harris Trust & Savings Bank
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York

Ticker Symbol: SE

Number of Employees:

1985	2,505	1982	2,750
1984	2,752	1981	3,381
1983	2,654		

Plant Footage:

1985	1,030,800 sq. ft.	1983	1,209,700
1984	1,128,000		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 164,296,000	$ (9,485,000)
1984	176,472,000	(5,099,000)
1983	151,676,000	(2,435,000)
1982	155,959,000	(4,072,000)
1981	177,405,000	(4,278,000)

	No.of Com. Shares	Earn. per Share †
1985	6,556,000	$ —
1984	6,519,000	—
1983	6,436,000	—
1982	6,311,000	—
1981	6,306,000	—

(Loss)
+ Of continuing operations only.
† Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.36	—	—
1981	0.54	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 64,475,000	$ 9.83
1984	72,181,000	11.07
1983	77,605,000	12.06
1982	78,990,000	12.52
1981	86,446,000	13.71

Income Account *

Year ended October 31	1985	1984
Net Sales	$ 164,296,000	$ 176,472,000
Cost of sales	96,036,000	102,909,000
Expenses	66,311,000	75,994,000
Interest expense	6,307,000	6,110,000
Foreign curr. trans. losses	143,000	254,000
Earn. of Sun Elec.	(1,972,000)	(1,752,000)
Other expense (income)	(2,238,000)	547,000
Litigation settlement	8,870,000	—
Loss before taxes	$ (9,161,000)	$ (7,590,000)
Income taxes (credit)	497,000	(2,035,000)
Loss - cont. oper.	$ (9,658,000)	$ (5,555,000)
Inc.-discont. oper.	173,000	456,000
Net Loss	$ (9,485,000)	$ (5,099,000)

* Included in Costs and Expenses, Depreciation and Amortization: $5,240,000 in 1985 and $5,612,000 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 2,583,000	$ 1,774,000
Cert. of deposit	6,100,000	771,000
Accts. receiv., net	37,091,000	41,063,000
*Inventories	64,758,000	70,695,000
Current Assets	$ 110,532,000	$ 114,303,000
Investments	2,379,000	11,908,000
#Fixed assets	28,217,000	30,787,000
Other assets	6,275,000	5,296,000
Total Assets	$ 147,403,000	$ 162,294,000

Liabilities

	1985	1984
Notes payable	$ 11,974,000	$ 15,728,000
Accts. payable	8,674,000	12,420,000
Accruals	25,812,000	19,325,000
Income taxes	829,000	788,000
Curr. Liabilities	$ 47,289,000	$ 48,261,000
Long-term debt	35,639,000	41,372,000
Deferred inc. taxes	—	480,000
+Common stock	6,556,000	6,519,000
Add. paid-in capital	40,179,000	39,896,000
Retained earnings	19,790,000	29,275,000
Cum. translation adjustment	(2,050,000)	(3,509,000)
Total Liabilities & Shareholders' Equity	$ 147,403,000	$ 162,294,000

Statistical Summary

	1985	1984
Sales to Inventories	2.54	2.50
Debt to Equity	0.74	0.79
Working Capital	$63,243,000	$66,042,000
Current Ratio	2.34	2.37
Shareholders' Equity	$64,475,000	$72,181,000

Sunair Electronics, Inc.

3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315
(305) 525-1505

Officers: Robert Uricho, chairman of the board, president & chief exec. officer; Adolf F. Klostermann, Sue Steadman, v.p.'s; William R. Dawes, secretary & general counsel; Richard H. Hoster, treasurer & controller.

Directors: Robert Uricho, chairman; Everett A. Cooper, William R. Dawes, Barrie Shaw, Earl M. Anderson, Jr.

Areas of Work: The Company manufactures airborne, mobile, ground, SSB, HF radio, transmitters and digital controls.

Subsidiaries:

Sunair International Sales Corp. (DISC)
3101 Southwest Third Avenue
Fort Lauderdale, Florida 33315
(305) 525-1505

Transfer Agent(s):

American Stock Transfer Co.
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SNRU (NASDAQ)

Number of Employees:

1985	126	1983	250
1984	137		

Plant Footage:

1985	67,700 sq. ft.	1982	N.A.
1984	80,000	1981	80,000
1983	80,000		

N.A.-Not Available

Sales and Earnings

	Net Sales ‡	Net Income
1985	$ 9,653,564	$ 2,041,226
1984	15,295,287	2,488,086
1983	17,939,816	3,374,073
1982	13,049,543	1,922,799
1981	14,843,276	2,327,608

	No. of Com Shares #	Earn. per Share #
1985	4,736,079	$ 0.43
1984	4,737,930	0.53
1983	4,717,454	0.72
1982	4,711,148	0.41
1981	4,710,538	0.49

‡ Includes other income.
# Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$0.24	—	—
1984	0.24	—	—
1983	0.21	—	—
1982	0.20	—	—
1981	0.19	—	2-for-1

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 21,356,877	$ 4.51
1984	20,566,544	4.34
1983	19,228,675	4.07
1982	16,823,188	3.57
1981	15,842,619	3.37

† Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 8,150,233	$ 14,374,123
Cost of sales	4,359,801	7,916,550
Expenses	2,358,537	2,904,651
Dividend income	(36,668)	—
Interest income	(959,305)	(897,883)
Other income	(507,358)	(23,281)
Income before taxes	$ 2,935,226	$ 4,474,086
Income taxes	894,000	1,986,000
Net Income	$ 2,041,226	$ 2,488,086

* Included in Costs and Expenses, Depreciation: $310,643 in 1985 and $346,456 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 8,192,915	$ 5,264,919
Accts. receiv., net	1,632,797	2,655,431
*Inventories	6,821,789	7,806,773
Prepaid expenses	400,412	223,728
Current Assets	$ 17,047,913	$ 15,950,851
#Fixed assets	1,540,576	1,962,789
Investments	3,361,450	3,561,842
Other assets	4,891	83,118
Total Assets	$ 21,954,830	$ 21,558,600

Liabilities

	1985	1984
Accts. payable	$ 510,988	$ 784,359
Accruals	86,965	192,756
Income taxes	—	14,941
Curr. Liabilities	$ 597,953	$ 992,056
+Common stock	480,074	480,074
Add. paid-in capital	2,604,821	2,437,750
Retained earnings	18,737,032	17,829,582
Treasury stock	(465,050)	(180,862)
Total Liabilities & Shareholders' Equity	$ 21,954,830	$ 21,558,600

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	36.01	31.13
%Net Income to Sales	25.05	17.31
%Net Income to Equity	9.56	12.10
Sales to Inventories	1.19	1.84
Working Capital	$16,449,960	$14,958,795
Current Ratio	28.51	16.08
Shareholders' Equity	$21,356,877	20,566,544

Sundstrand Corporation

4751 Harrison Avenue
P.O. Box 7003
Rockford, Illinois 61125
(815) 226-6000

Officers: Evans W. Erikson, chairman of the board & chief executive officer; Don R. O'Hare, vice chairman of the board; Bernard W. Kittle, group v.p.-advanced technology; William R. Kopp, group v.p.-data control; David MacMorris, exec. v.p.; Philip W. Polgreen, v.p.-personnel & public relations; Kenelm A. Groff, v.p.-administration; Richard M. Schilling, v.p. & general counsel; Ted L. Ross, v.p.-finance & secretary; A. Adrian Kemper, controller; Clarke E. Lemke, treasurer.

Directors: Evans W. Erikson, chairman; Don R. O'Hare, James W. Ethington, Klaus Murmann, Donald E. Nordlund, Robert C. Hyndman, David MacMorris, John A. Puelicher, Thomas G. Pownall, Thomas L. Martin, Jr., Ward Smith.

Areas of Work: The Company's operations can be divided into three groups: power transmission, fluid and heat transfer, and aerospace. Power transmission activities include the manufacture of mechanical power transmissions and couplings for stationary units and marine propulsion drives; hydraulic gear pumps and motors; and controls for a variety of work vehicles and industrial equipment. The aerospace segment manufactures voice and data recorders, tape transport units, navigation systems and data banks, ground proximity warning systems, stall warning systems, controls to supply electrical power for aircraft and related products. The fluid and heat transfer group is engaged in the manufacture of high speed centrifugal pumps and blowers, fuel oil pumps, and heating and cooling components.

Divisions and Subsidiaries:

Sundstrand Hydraulics
2210 Harrison Avenue
Rockford, Illinois 61101
(815) 226-6000

Sundstrand Corporation

Sundstrand Hydro-Transmission
2800 East 13th Street
Ames, Iowa 60010
(515) 239-6000

Sundstrand Mobile Controls

Sunstrand Hydratec

Sundstrand Fluid Handling
14845 W. 65th Avenue
Arvada, Colorado
(303) 425-0800

The Falk Corporation
P.O. Box 492
Milwaukee, Wisconsin 53201
(414) 342-3131

The Falk Corporation
Auburn Operation
P.O. Box 1387
Auburn, Alabama 36830
(205) 821-9100

Sundstrand Heat Transfer, Inc.
P.O. Box 530
Dowagiac, Michigan 49047
(616) 782-2141

Sundstrand Tubular Products, Inc.
P.O. Box 636
Camdenton, Missouri 65020
(314) 346-5593

Sundstrand Energy Systems
Rockford, Illinois

Sundstrand Advanced Technology

Sundstrand Data Control, Inc.
Overlake Industrial Park
Redmond, Washington 98052
(206) 885-3711
Costa Mesa, California

Trans Com, Division of Sundstrand Data Control, Inc.
3100 Pullman Avenue
Costa Mesa, California 92626
(714) 979-2600

The Falk Corporation of Canada, Ltd.
Rexdale, Ontario, Canada

Falk do Brazil, Equipamentos Industrias Ltda.
Sao Paulo, Brazil

Mecanica Falk, S.A. de C.V.
(49%) owned
Mexico City, Mexico

Sundstrand Pacific (Pte.) Ltd.
Singapore, Republic of Singapore

Sundstrand France
Dijon, France

Nikkiso-Sundstrand Company Limited
(50% owned)
Tokyo, Japan

Munck-Sundstrand Transmissoes Hidro Staticas Ltda.
(40% owned)
Sao Paulo, Brazil
Wulfsberg Electronics, Inc.
Markets specialized communication systems.

Sullair Corporation
Manufactures rotary screw compressors and systems for air, gas, process and refrigeration applications.

Signatron, Inc.
Engaged in specialized communication products and custom engineering in radar, communication, computer simulation, software, signal processing, and electronic warfare equipment.

Acquisition(s):

Turbomach Division of Solar Turbines, Inc.
San Diego, California
Manufacturer of small, lightweight gas turbine engines for airborne, ground, and vehicular power units.

Transfer Agent(s):

The First National Bank of Chicago
One First National Plaza
Chicago, Illinois 60670

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: SNS

Number of Employees:

1985	16,100	1982	13,100
1984	15,200	1981	16,100
1983	13,400		

Plant Footage:

1985	7,796,000 sq. ft.	1983	7,092,000
1984	7,371,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,284,141	$ 74,448
1984	1,041,948	66,412
1983	909,318	44,240
1982	961,573	69,300
1981	1,045,687	95,011

	No. of Com. Shares #	Earn. per Share #
1985	18,533,000	$ 4.02
1984	18,300,000	3.63
1983	18,296,000	2.42
1982	18,375,000	3.77
1981	18,055,000	5.23

Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business

	1985	1984
Industrial	$ 805,883	$ 648,178
Aerospace	478,258	393,770
Total	$ 1,284,141	$ 1,041,948

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.80	—	—
1984	1.80	—	—
1983	1.80	—	—
1982	1.80	—	—
1981	1.70	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 589,129,000	$ 31.79
1984	535,785,000	29.28
1983	500,399,000	27.35
1982	489,001,000	26.61
1981	454,341,190‡	25.16

‡ After allowing for preferred stock at redemption value.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 1,284,141	$ 1,041,948
Cost of sales	850,460	688,375
Expenses	296,379	238,654
Interest expense	38,825	25,322
Royalties & commissions	(5,534)	(4,112)
Interest income	(13,539)	(13,469)
Other income	(2,142)	(4,472)
Income before taxes	$ 119,692	$ 111,650
Income taxes	45,244	45,238
Net Income	$ 74,448	$ 66,412

* Included in Costs and Expenses, Depreciation and Amortization: $71,345,000 in 1985 and $61,808,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 2,704	$ 6,749
Accts. receiv., net	196,876	165,059
*Inventories	402,403	345,122
Other assets, curr.	19,098	18,991
Curr. Assets	$ 621,080	$ 535,921
#Fixed assets	487,222	399,471
Other assets	202,877	154,488
Total Assets	$ 1,311,179	$ 1,089,880

Liabilities
(000's)

	1985	1984
Notes payable	$ 81,937	$ 44,961
Long-term debt, curr.	12,911	12,982
Accts. payable	103,372	84,533
Contrib. due retirement plans	22,738	25,291
Accrued payroll	39,132	36,126
Other accruals	72,781	53,304
Curr. Liabilities	$ 332,871	$ 257,197
Long-term debt	225,152	161,370
Deferred inc. taxes	164,027	135,528
+ Common stock	18,921	18,704
Add. paid-in capital	128,244	117,674
Retained earnings	465,117	424,014
Foreign currency translation adjustment	(8,365)	(10,364)
Treasury stock	(8,651)	(6,589)
Unamortized value of restricted stock issue	(6,137)	(7,654)
Total Liabilities & Shareholders' Equity	$ 1,311,179	$ 1,089,880

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.32	10.72
% Net Income to Sales	5.80	6.37
% Net Income to Equity	12.64	12.40
Sales to Inventories	3.19	3.02
Debt to Equity	0.54	0.41
Working Capital	$288,209,000	$278,724,000
Current Ratio	1.87	2.08
Shareholders' Equity	$589,129,000	$535,785,000

The Superior Electric Company

383 Middle Street
Bristol, Connecticut 06010
(203) 582-9561

Officers: Maurice P. Andrien, Jr., president & chief executive officer; John H. Crozier, gen. counsel & secretary; Martin Kaplan, v.p.-research & development; Frank S. Doyle, sr. v.p.-finance & chief financial officer; Gilbert M. Dinkins, v.p.-engineering; Anthony E. Balestro, v.p.-mfg.; Phil L. Ferrari, asst. treasurer; Harold W. Lorenson, v.p.-sales.

Directors: Maurice P. Andrien, Jr.*, Betty H. Jerome*, Donald A. Nelson*, Richard B. Nelson, James R. Dempsey, Donald S. McCoy, John B. Krauss, Stephen J. Ruffi, Gerald L. Wilson.

* Member of the Executive Committee.

Areas of Work: Engaged in the design, engineering, manufacturing and marketing of a range of electronic products, voltage controls and motion-controls. Voltage controls include variable transformers, automatic voltage regulators, and light controls. Motion controls include synchronous stepping motors, and stepping control devices.

Subsidiaries:

Unitron Incorporated
10925 Miller Road
Dallas, Texas 75238

Electro-Kinesis, Inc.
Bristol, Connecticut 06010

The American Superior Electric Company, Limited
38 Torlake Crescent
Toronto, Ontario MBZ 1B3 Canada

Superior Electric Nederland B.V.
Koperwerf 33
2544 EM The Hague, The Netherlands

Superior Electric G.m.b.H.
Frankfurt, Germany

Superior Electric Engineering Services, B.V.
Harlow, Essex, England

Superior Electric International Sales Company
Bristol, Connecticut 06010

Superior Electric S.A.R.L.
Paris, France

Transfer Agent(s):

The Connecticut Bank & Trust Company
Hartford, Connecticut

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SUPE (NASDAQ)

Number of Employees:

1985	900

Plant Footage:

1985	400,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 49,537,000	$ (496,000)
1984	56,096,000	2,872,000
1983	44,438,000	338,000
1982	42,777,000	210,000
1981	45,074,000	1,201,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,861,632	$ —
1984	2,852,938	1.01
1983	2,847,825	0.12
1982	2,844,853	0.07
1981	2,841,015	0.42

(Loss)

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends.

Revenues By Line of Business

	1985 (000's)	1984 (000's)
Voltage Control	$ 18,308	$ 20,008
Motion Control	31,229	36,088
Total	$ 49,537	$ 56,096

Common Stock

	Cash Dividend †	Stock Dividend	Stock Split
1985	$ —	10%	—
1984	—	5%	—
1983	—	—	—
1982	0.26	—	—
1981	0.35	—	—

† Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 24,054,000	$ 8.40
1984	23,869,000	8.36
1983	21,377,000	7.50
1982	21,356,000	7.50
1981	22,053,000	7.77

† Adjusted to reflect stock dividends.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 49,537,000	$ 56,096,000
Cost of sales	33,949,000	34,969,000
Expenses	13,451,000	13,006,000
Product develop.	3,114,000	2,786,000
Interest expense	1,400,000	975,000
Other expense (income)	(364,000)	21,000
Inc. (loss) bef. taxes	$ (2,013,000)	$ 4,339,000
Income taxes (credit)	(1,517,000)	1,467,000
Net Income (Loss)	$ (496,000)	$ 2,872,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,546,000 in 1985 and $1,416,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,175,000	$ 2,772,000
Accts. receiv., net	7,177,000	8,149,000
*Inventories	16,140,000	17,637,000
Other current assets	1,879,000	869,000
Refundable inc. taxes	1,407,000	—
Current Assets	$ 28,778,000	$ 29,427,000
#Fixed assets	10,960,000	10,491,000
Other assets	362,000	595,000
Total Assets	$ 40,100,000	$ 40,513,000

Liabilities

	1985	1984
Notes payable	$ 2,600,000	$ 1,900,000
Long-term dept. curr.	619,000	900,000
Accts. payable	2,358,000	2,808,000
Accrued pension	972,000	1,072,000
Accrued payroll & compen.	757,000	1,273,000
Income taxes	89,000	746,000
Other taxes	781,000	762,000
Other accruals	688,000	706,000
Curr. Liabilities	$ 8,864,000	$ 10,167,000
Long-term debt	6,881,000	6,200,000
Deferred inc. taxes	301,000	277,000
+ Common stock	2,864,000	2,596,000
Add. paid-in capital	17,689,000	14,748,000
Retained earnings	4,001,000	7,663,000
Eq. adjust. from for curr. trans.	(500,000)	(1,138,000)
Total Liabilities & Shareholders' Equity	$ 40,100,000	$ 40,513,000

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	7.73
%Net Income to Sales	—	5.12
%Net Income to Equity	—	12.03
Sales to Inventories	3.07	3.18
Debt to Equity	0.42	0.38
Working Capital	$19,914,000	$19,260,000
Current Ratio	3.25	2.89
Shareholders' Equity	$24,054,000	$23,869,000

Survival Technology, Inc.

8101 Glenbrook Road
Bethesda, Maryland 20814
(301) 656-5600

Officers: Stanley J. Sarnoff, chairman of the board, chief exec. officer & president; George B. Calkins, v.p.-engineering; Elliot Bartner, v.p.-new antidotes; Douglas J Greenwold, v.p.-outpatient care division; Cabot R. Caskie, exec. v.p., chief operating officer & secretary; Doris L. Geier, asst. secretary; Sharon A. Santa, treasurer.

Directors: Stanley J. Sarnoff*, chairman; Robinson Bosworth, Jr., Robert E. Herzstein*, Brian H. Dovey, Paul D. Paganucci, Cabot R. Caskie, George S. Blanchard.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures and sells syringes, electronic cardiac monitoring equipment, automatic injectors, and emergency care products.

Divisions:

Pharmaceutical Division
2555 Hermelin Drive
St. Louis, Missouri

Outpatient Care Division
New York
Houston

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SURV (NASDAQ)

Number of Employees:

1984	233	1982	N.A.
1983	326	1981	265

Plant Footage:

1984	97,400 sq. ft.	1982	N.A.
1983	97,400	1981	25,000

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1984	$ 24,265,000	$ (766,600)
1983	25,396,000	946,800
1982	20,300,000	748,000
1981	17,904,000	883,600
1980	15,471,000	652,600

	No. of Com. Shares ‡	Earn. per Share ‡
1984	2,629,000	$ —
1983	2,594,000	0.37
1982	2,572,000	0.29
1981	2,522,000	0.35
1980	2,490,000	0.26

(Loss)

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Revenue By Line of Business

	1984	1983	1982	1981
Military automatic injectors	63%	74%	70%	68%
Cardiac monitoring equip.	1	1	2	4
Cardiac monitoring serv.	13	9	8	7
Emergency care prods.	10	8	9	9
Syringe prods.	13	7	10	11
Other	—	1	1	1
Total	100%	100%	100%	100%

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 6,996,600	$ 2.66
1983	7,462,000	2.88
1982	6,292,000	2.45

1981	5,418,700	2.15
1980	4,124,200	1.66

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account

Year ended July 31	1984	1983
Net sales	$ 24,265,200	$ 25,396,100
Cost of sales	16,476,600	15,834,500
Expenses	7,144,500	6,748,700
Depreciation & amortization	1,417,900	1,100,300
Interest expense	846,300	321,500
Other income	(66,700)	(311,900)
Royalty expense	128,200	381,700
Income (loss) bef. taxes	$ (1,681,600)	$ 1,321,300
Income taxes (credit)	(915,000)	374,500
Net Income (Loss)	$ (766,600)	$ 946,800

Assets

As of July 31	1984	1983
Cash	$ 258,600	$ 267,700
Receivables, net	3,430,600	3,146,900
Inc. taxes refund.	373,300	370,100
*Inventories	5,431,000	3,952,500
Prepaid expenses & deposits	597,400	747,500
Current Assets	$ 10,091,400	$ 8,484,700
#Fixed assets	6,767,600	5,981,300
Intangibles	580,100	664,400
Other assets	604,000	411,800
Total Assets	$ 18,043,100	$ 15,542,200

Liabilities

	1984	1983
Notes payable	$ 2,675,000	$ 1,200,000
Long-term debt, curr.	242,000	55,000
Accts. payable	1,193,500	2,176,000
Accruals	843,900	740,100
Deferred inc. taxes	409,500	864,500
Curr. Liabilities	$ 5,363,900	$ 5,035,600
Long term debt	5,682,600	2,745,000
Def. income taxes	—	299,600
+Common stock	264,300	260,700
Add. paid-in capital	1,468,400	1,170,800
Retained earnings	5,263,900	6,030,500
Total Liabilities & Shareholders' Equity	$ 18,043,100	$ 15,542,200

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization
+ $0.10 par value.

Statistical Summary

	1984	1983
%Income bef. Taxes to Sales	—	5.20
%Net Income to Sales	—	3.73
%Net Income to Equity	—	12.69
Sales to Inventories	4.47	6.43
Working Capital	$4,727,500	$3,449,100
Current Ratio	1.88	1.68
Shareholders' Equity	$6,996,600	$7,462,000

Sykes Datatronics, Inc.

(Operating under Chapter 11 of the U.S. Bankruptcy Code)

375 Orchard Street
Rochester, N.Y. 14606
(716) 458-8000

Officers: Robert F. Sykes, chairman, Ronald Borges, president & chief executive officer; William S. Christiansen, v.p.-engineering/operations; William A. Jenny, treasurer & dir.-finance; Richard H. Lippincott, v.p.-sales & marketing.

Directors: Robert F. Sykes, Ronald Borges, William S. Christiansen, Francis D.R. Coleman, Mary G. Islas, David Lamb.

Areas of Work: Engaged in the design, development, manufacture and marketing of microprocessor-based equipment for use in data communication and information processing applications.

Transfer Agent(s):

Chase Lincoln First Bank, N.A.
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): Over-the-Counter

Ticker Symbol: SYKEQ (NASDAQ)

Number of Employees:

1986	69	1983	608
1985	275	1982	710
1984	447		

Plant Footage:

1986	125,000 sq. ft.	1983	400,000
1985	125,000	1982	400,000
1984	190,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 20,235,000	$ (14,015,000)
1984	33,883,000	(3,863,000)
1983	42,799,672	608,666
1982	45,407,559	7,846,834
1981	24,174,408	3,354,015

	No. of Com. Shares #	Earn. per Share #
1985	12,826,549‡	$ —
1984	12,786,179‡	—
1983	12,738,937	0.05
1982	12,736,401	0.62
1981	11,221,503	0.30

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.
‡ Common stock equivalent shares not included.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	200%	—
1981	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 17,808,000	$ 1.39
1984	31,616,000	2.47
1983	35,079,177	2.75
1982	33,631,158	2.64
1981	24,980,654	2.23

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended	2/28/85	2/29/84
Net sales	$ 20,235,000	$ 33,883,000
Cost of sales	18,985,000	20,425,000
Expenses	19,685,000	21,065,000
Interest income	(110,000)	(110,000)
Interest expense	1,290,000	703,000
Other expense (income)	(2,105,000)	13,000
Loss bef. taxes	$ (17,510,000)	$ (8,213,000)
Tax credit	(3,495,000)	(4,350,000)
Net Loss	$ (14,015,000)	$ (3,863,000)

* Included in Costs and Expenses, Depreciation: $2,679,000 in 1984 and $2,532,498 in 1983.

Assets

As of	2/28/85	2/29/84
Cash & short-term invest.	$ 2,342,000	$ 51,000
Accts. receiv., net	2,606,000	3,155,000
Refundable income taxes	380,000	6,073,000
Lease receiv., curr.	3,380,000	2,277,000
*Inventories	10,480,000	11,748,000
Deferred inc. taxes	—	195,000
Other curr. assets	227,000	622,000
Current assets	$ 19,393,000	$ 24,121,000
#Fixed assets	9,362,000	16,416,000
Lease receiv.	3,556,000	5,386,000
Other assets	376,000	112,000
Total Assets	$ 32,687,000	$ 46,035,000

Liabilities

	2/28/85	2/29/84
Long-term debt, curr.	$ 670,000	$ 606,000
Accts. payable	3,657,000	2,655,000
Accruals	2,013,000	2,000,000
Curr. Liabilities	$ 6,340,000	$ 5,261,000
Long-term debt	8,539,000	6,433,000
Deferred inc. taxes	—	2,725,000
+ Common stock	1,284,000	1,281,000
Add. paid-in capital	22,268,000	22,667,000
Deferred stock option	(417,000)	(1,020,000)
Retained earnings (deficit)	(5,327,000)	8,688,000
Total Liabilities & Shareholders' Equity	$ 32,687,000	$ 46,035,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	2/28/85	2/29/84
Sales to Inventories	1.93	2.88
Working Capital	$13,053,000	$18,860,000
Current Ratio	3.06	4.58
Shareholders' Equity	$17,808,000	$31,616,000

Tab Products Co.

1400 Page Mill Road
Palo Alto, California 94304
(415) 852-2400

Officers: H.W. LeClaire, chairman & chief exec. officer, Dennis R. Searles, president & chief operating officer; B. Brooksby, v.p.-finance & administration & secretary; Philip M. Croel, v.p.; Kurt Lein, v.p.-international operations; John Petry, v.p.-manufacturing & disbribution; Frank F. Desafety, v.p.-sales & marketing, office systems; Burton A. Gavitt., v.p.-field sales, Western Region; Martin Klijian, Jr., v.p.-sales & marketing, computer products; David A. Price, v.p.-field sales, Eastern Region; Naresh C. Kapahi, corp. controller; R.J. Sexton, treasurer & asst. sec.

Directors: H.W. LeClaire*, F.S. Foote, Jr., J.D. MacConnell*, C. Lester Hogan, Robert Augsburger, C.D. Means, D.E. Moffitt*, Dennis Searles.

* Member of the Executive Committee.

Areas of Work: Develops, manufactures and markets computer accessories, office filing systems, electronic data entry equipment.

Subsidiaries:

Tab Products of Canada Ltd.
550 McNicoll Avenue
Willowdale, Ontario, M2H 2E1, Canada
(416) 494-0077

Tab Products (Europa) B.V.
Ellermanstraat 5
1099 BW Amsterdam-Amstel II
The Netherlands

Tab Sales International
St. Thomas, Virgin Islands

Transfer Agent(s):

Bank of America
Stock Transfer Dept. #9511
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): American

Ticker Symbol: TBP

Number of Employees:

1985	960	1982	N.A.
1984	N.A.	1981	1,051
1983	1,165		

Plant Footage:

1985	600,000 sq. ft.	1982	N.A.
1984	600,000	1981	450,000
1983	600,000		

N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income
1985	$ 117,013,000	$ 6,326,000
1984	113,595,000	6,303,000
1983	101,461,000	4,315,000
1982	97,519,000	3,550,000
1981	88,965,000	3,318,000

	No. of Com. Shares +	Earn. per Share #
1985	4,422,950	$ 1.42
1984	4,385,105	1.42
1983	4,322,007	1.00
1982	4,342,983	0.82
1981	4,325,878	0.77

+ Adjusted to reflect stock splits.

Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.15	—	3-for-2
1983	0.11	—	3-for-2
1982	0.09	—	—
1981	0.08	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 42,563,000	$ 9.62
1984	36,912,000	8.42
1983	30,685,000	7.10
1982	26,831,000	6.18
1981	23,632,000	5.46

‡ Adjusted to reflect stock splits.

Income Account *

Year ended May 31	1985	1984
Net sales & oper. rev.	$ 117,013,000	$ 113,595,000
Cost of sales	61,389,000	60,577,000
Expenses	43,191,000	41,099,000
Interest expense	357,000	666,000
Income before taxes	$ 12,076,000	$ 11,253,000
Income taxes	5,750,000	4,950,000
Net Income	$ 6,326,000	$ 6,303,000

* Included in Costs and Expenses, Depreciation and Amortization: $5,272,000 in 1985 and $4,625,000 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 1,167,000	$ 1,016,000
Accts. receiv., net	19,506,000	18,521,000
*Inventories	15,950,000	13,884,000
Prepaid expenses	1,439,000	1,602,000
Current Assets	$ 38,062,000	$ 35,023,000
#Fixed assets	19,732,000	20,638,000
Other assets	267,000	497,000
Total Assets	$ 58,061,000	$ 56,158,000

Liabilities

Long-term debt, curr.	$ 165,000	$ 198,000
Accts. payable	3,874,000	5,628,000
Commissions	3,055,000	2,706,000
Other accruals	4,097,000	3,760,000
Income taxes	1,405,000	566,000
Curr. Liabilities	$ 12,596,000	$ 12,858,000
Long-term debt	2,190,000	5,955,000
Deferred taxes	712,000	433,000
+ Common stock	5,375,000	4,680,000
Retained earnings	37,476,000	32,448,000
Foreign curr. translation	(288,000)	(216,000)
Total Liabilities & Shareholders' Equity	$ 58,061,000	$ 56,158,000

* Domestic inventories purchased for resale are valued at LIFO, remainder at FIFO or average.

Less accumulated depreciation and amortization.

+ No par value.

Statistical Summary

% Income bef. Taxes to Sales	10.32	9.91
% Net Income to Sales	5.41	5.55
% Net Income to Equity	14.86	17.08
Debt to Equity	0.06	0.17
Working Capital	$25,466,000	$22,165,000
Current Ratio	3.02	2.72
Shareholders' Equity	$42,563,000	$36,912,000

Talley Industries, Inc.

2702 North 44th Street
Phoenix, Arizona 85008
(602) 957-7711

Officers: William H. Mallender, chief executive officer & chairman; Jack C. Crim, president & chief operating officer; Donald L. Corey, v.p.-corp. development; Daniel R. Mullen, treasurer; Edward T. Ryan, Jr., Richard H. Allen, Thomas A. Dickey, v.p.'s-operations; William E. Bonnell, dir.-human resources; Lonnie D. S nnell, dir.-internal audit; Arthur M. Squicciarini, dir.-operations services; Mark S. Dickerson, general counsel & secretary; Kenneth May, controller.

Directors: William H. Mallender*, chairman; Jack C. Crim, William B. Bolton, Hubert T. Mandeville, Alex Stamktakis, David Victor, Oliver Grace, Jr., Townsend W. Hoopes, John D. MacNaughton, Jr., Emiel T. Nielsen, Jr., Thomas F. Reddy, Jr.*, John C. Robinson, Fred G. Schuller, Wesley A. Stanger, Jr.*, John W. Stodder.

* Member of the Executive Committee

Areas of Work: The Government & Technical Segment includes aircraft escape systems, components for aircraft crew escape systems, rocket motors, gas generators, and other ballistically actuated devices, and safe and arm devices. Ballistic and ordnance products are generally sold under prime contract directly to the U.S. Government. Also sells a variety of other government products, including video mappers, BITE indicators, potentiometers, miniative switches, and electronics. The Commercial Segment includes products such as timing devices (automobile clocks, clock radio timers, battery clock movements, industrial timers and elapsed time indicators), molded plastic parts, and wholesale distribution of building supplies. Also manufactures and distributes other products including a variety of fractional horsepower motors, electro-magnetic clutches and brakes, humidity control devices, and metal stampings, clocks and watches. The Apparel Segment imports and distributes menswear, and womenswear. The Realty Segment is engaged in the sale of land to developers for commercial and residential development, in the Phoenix, Arizona, metropolitan area.

Divisions, Subsidiaries & Affiliates:

Government and Technical

Talley Defense Systems Inc.
4551 East McKellips Road
Mesa, Arizona 85205
(602) 832-3830

Minelco Inc.
135 South Main Street
Thomaston, Connecticut 06787
(203) 283-8261

Electrodynamics, Inc.
1200 Hicks Road
Rolling Meadow, Illinois 60008
(312) 259-0740

Dimetrics, Inc.
Diamond Springs, California

Universal Propulsion Company, Inc.
Phoenix, Arizona

Talley Metals Technology, Inc.
McBee, South Carolina

Stencel Aero Engineering Corporation
Arden, North Carolina

Porcelain Products, Inc.
Carey, Ohio

Rowe Industries, Inc.
Toledo, Ohio

Waters Manufacturing, Inc.
Wayland, Massachusetts

Clocks and Timing Products

General Time Instruments Inc.
Davidson, North Carolina

Talley Canada Inc.
Peterborough, Canada

General Time Corporation
Norcross, Georgia

Talley U.K., Ltd.
Strathleven, Scotland

Joint Venture(s):

Relogios Brasil S.A.
Sao Paulo, Brazil

Transfer Agent(s):

Manufacturers Hanover Trust
 Company of California
Post Office Box 711267
Los Angeles, California 90071

Stock Exchange(s): New York

Ticker Symbol: TAL

Number of Employees:

1985	4,300	1982	5,300
1984	4,400	1981	6,500
1983	3,900		

Plant Footage:

1985 2,291,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income ‡
12/31/85	$ 316,043,000	$ 12,014,000
12/31/84	306,478,000	10,474,000
12/31/83*	210,833,000	6,713,000
3/31/83	264,109,000	8,190,000
3/32/82	311,425,000	(7,256,000)

	No. of Com. Shares	Earn. per Share †‡
12/31/85	5,944,000	$ 1.51
12/31/84	5,925,000	1.30
12/31/83*	5,951,000	0.83
3/31/83	5,941,000	1.12
3/31/82	4,813,000	—

Talley Industries, Inc.

(Loss)
* 9 months
+ Of continuing operations only
‡ Including extraordinary gain of $2,762,000 ($0.38 per share) in the year ending Mar. 31, 1983
† Based on the average number of shares outstanding

Revenues By Line of Business
(000's)

	12/31/85	12/31/84
Clocks & watches	$ 94,497	$ 102,680
Apparel	61,273	68,555
Specialty prods	36,665	25,525
Government prods & services	123,608	89,472
Realty	—	20,246
Total	$ 316,043	$ 306,478

Common Stock Equity

	Total Equity *	Equity Per Share
12/31/85	$ 73,398,000	$ 12.35
12/31/84	63,479,000	10.71
12/31/83	56,046,000	9.42
3/31/83	49,832,000	8.39
3/31/82	36,061,000	7.49

* After allowing for preferred stock at total involuntary liquidation preference value

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ [illegible]	$ 306,478
Cost of sales	[illegible]	221,395
Expenses	[illegible]	64,688
Other income	(13,767)	(7,514)
Interest expense	12,368	10,356
Interest capitalized	(476)	(1,339)
Income before taxes	$ 20,008	$ 18,892
Income taxes	7,994	8,418
Net Income	$ 12,014	$ 10,474

* Included in Costs and Expenses, Depreciation and Amortization: $8,583,000 in 1985 and $5,878,000 in 1984

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 2,527	$ 2,474
Marketable securities	1,200	12,030
Accts. receiv., net	62,616	64,961
*Inventories	118,903	71,066
Deferred inc. taxes	1,043	—
Prepaid expenses	2,633	2,094
Current Assets	$ 188,922	$ 152,625
Long-term receiv.	22,119	11,338
#Fixed assets	69,589	51,826
Defer. charges & other assets	5,445	4,151
Intangibles	16,543	13,583
Total Assets	$ 302,618	$ 233,523

Liabilities
(000's)

Notes payable	$ 15,000	$ 553
Long-term debt, curr	6,044	4,025
Realty debt	7,779	10,051
Accts. payable	16,512	15,228
Accruals	22,206	20,143
Deferred income taxes		339
Curr. Liabilities	$ 67,541	$ 50,339
Revolving bank debt	11,000	—
Long-term debt	96,995	65,598
Deferred inc. taxes	9,946	7,434
Other liabilities	8,565	8,565
+ Preferred stock		
Series A	37	98
Series B	1,650	1,783
+ + Common stock	5,944	5,925
Add. paid-in capital	44,821	46,486
For. curr. trans. adj.	(622)	(1,081)
Retained earnings	56,691	48,376
Total Liabilities & Shareholders' Equity	$ 302,618	$ 233,523

* At lower of cost (FIFO) or market
# Less accumulated depreciation
+ $1 par value, cumulative convertible
+ + $1 par value

Statistical Summary

%Income bef. Taxes to Sales	6.33	6.16
%Net Income to Sales	3.80	3.42
%Net Income to Equity	11.07	10.31
Sales to Inventories	2.66	4.31
Debt to Equity	1.09	0.69
Working Capital	$121,381,000	$102,286,000
Current Ratio	2.80	3.03
Shareholders' Equity	$108,571,000	$101,587,000

Tandem Computers Incorporated

19333 Vallco Parkway
Cupertino, California 95014
(408) 725-6000

Officers: Thomas J. Perkins, chairman of the board; James G. Treybig, president & chief executive officer; Robert C. Marshall, sr. v.p. & chief operating officer; Lawrence A. Laurich, v.p.-engineering; David R. Mackie, v.p.-U.S. marketing; Jan E. Jensen, v.p.-human resources; Dennis McEvoy, v.p.-software development; Jeanne D. Wohlers, v.p. & controller; Michael K. Bateman, v.p.-third party marketing; Thomas A. Bechler, v.p. & div. mgr.; Jack W. Chapman, v.p. & managing dir.-European Div.; George Eckert, v.p.-major projects mgmt.; Thomas L. Chun, v.p.-corp. projects; Richard A. Lamb, treasurer; Lawrence W. McGraw, v.p.-U.S. sales operations; Michael C. Moore, v.p. & gen. mgr.-Intercontinental Div.; Gerald L. Peterson, v.p.-marketing; Jerald D. Reaugh, v.p.-MIS; David J. Rynne, v.p. & chief financial officer; Stephen C. Schmidt, v.p.-operations.

Directors: Thomas J. Perkins*, Morton Collins, Thomas J. Davis, Jr.*, Franklin P. Johnson, Jr., Robert C. Marshall, Robert G. Stone, Jr., James G. Treybig*, Thomas I. Unterberg, Andrew Knight.

* Member of the Executive Committee

Areas of Work: Designs, develops, manufactures, markets and services multiple processor computer systems solely dedicated to on-line transaction processing and software. The Tandem NonStop System eliminates the risk of system failures and protects the customer's data base from damage caused by electronic hardware malfunctions.

Operating Units:

Eastern Division
One Penn Plaza
New York, New York 10119

Central Division
1827 Walden Office Square
Schaumberg, Illinois 60195

Western International Division
245 Santa Ana Court
Sunnyvale, California 94086

Tandem Computers Canada Limited
180 Duncan Mill Road
Don Mills, Ontario M3B 1Z6
Canada

Tandem Computers Limited
Peel House, 32-34 Church Road
Northolt, Middlesex UB5 5AB
England

Tandem NonStop Pty., Ltd.
Sydney, Melbourne
Australia

Tandem Computers S.A.
1, Place des Etats-Unis
Silic 255
94568 Rungis Cedex, France

Tandem Computers, S.A./N.V.
Brussels, Belgium

Tandem Computers GmbH
Bernerstrasse 34
6000 Frankfurt/Main 56
Germany

Tandem Computers A.B.
Industrivagen 20 2TR
S-171 48 Solna
Sweden

Tandem Computers A/S
Taastrup, Denmark

Tandem NonStop Pty. Ltd.
Wellington, New Zealand

Tandem Computers A/S
Oslo, Norway

Tandem Computers Italia S.p.A.
Via del Ghisallo 20
Milan, Italy

Tandem Computers Japan Limited
3-1-1 Hagashi Ikebukuro
Tosoima-ku
Tokyo, Japan

Tandem Computers B.V.
Koningin Juliana Plein 30-20
2595 AA The Hague, Netherlands

Tandem Computers AG
Zweierstrasse 138
8003 Zurich, Switzerland

Tandem Computers (Hong Kong) Limited
Kowloon, Hong Kong

Tandem Computers International, Inc.
Singapore

Tandem Computer Ges. m.b. M.
Vienna, Austria

Tandem Computers Iberica S.A.
Madrid, Spain

Transfer Agent(s):

Bank of America, N.T. & S.A.
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TNDM (NASDAQ)

Number of Employees:

1985	5,494	1982	3,821
1984	5,223	1981	2,731
1983	4,396		

Plant Footage:

1985 2,250,000 sq. ft.

Sales and Earnings

	Revenues	Net Income
1985	$ 624,138,000	$ 34,374,000
1984	532,620,000	42,908,000
1983	418,282,000	30,805,000
1982	312,143,000	29,856,000
1981	208,397,000	26,549,000

	No. of Com Shares #	Earn per Share #
1985	41,765,000	$ 0.82
1984	41,399,000	1.04
1983	40,784,000	0.76
1982	39,221,000	0.76
1981	37,025,000	0.72

Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 420,408,000	$ 10.07
1984	375,122,000	9.06
1983	310,993,000	7.63
1982	250,988,000	6.40
1981	204,810,000	5.53

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Revenues	$ 624,138	$ 532,620
Cost of revenues	240,148	215,692
Prod. develop.	71,577	52,514
Expenses	262,332	213,313
Interest income	(6,269)	(5,183)
Income before taxes	$ 56,350	$ 56,284
Income taxes	21,976	13,376
Net Income	$ 34,374	$ 42,908

* Included in Costs and Expenses, Depreciation and Amortization: $35,616,000 in 1985 and $22,741,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & cash invest.	$ 128,676	$ 106,862
Accts. receiv., net	163,378	146,342
*Inventories	78,962	92,375
Prepaid expenses	10,746	6,998
Prepaid income taxes	3,655	—
Current Assets	$ 385,417	$ 352,577
#Fixed assets	160,598	141,502
Other assets	6,329	7,794
Total Assets	$ 552,344	$ 501,873

Liabilities
(000's)

	1985	1984
Cap. lease oblig., curr.	$ 7,049	$ 15,025
Accts. payable	33,377	36,350
Accruals	46,380	33,359
Accrued inc. taxes	—	4,440
Curr. Liabilities	$ 86,806	$ 89,174
Cap. lease oblig.	7,969	11,744
Long term debt	4,443	5,411
Deferred inc. taxes	32,718	20,422
+ Common stock	1,035	1,015
Add. paid-in capital	238,998	228,206
Retained earnings	180,375	146,001
Total Liabilities & Shareholders' Equity	$ 552,344	$ 501,873

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.025 par value.

Statistical Summary

%Income bef. Taxes to Revenues	9.03	10.57
%Net Income to Revenues	5.51	8.06
%Net Income to Equity	8.18	11.44
Debt to Equity	0.05	0.43
Working Capital	$298,611,000	$263,403,000
Current Ratio	4.44	3.95
Shareholders' Equity	$420,408,000	$375,122,000

Tandy Corporation

1800 One Tandy Center
Fort Worth, Texas 76102
(817) 390-3700

Officers: John V. Roach, chairman of the board, president & chief executive officer; John McDaniel, senior v.p. & controller; Charles W. Tindall, Jr., senior v.p. & treasurer; Herschel C. Winn, sr. v.p. & secretary; Billy R. Roland, Lloyd Turner, George Kuhnreich, v.p.'s; Donald L. Bock, asst. treasurer; Louis G. Neumann, asst. secretary.

Directors: John V. Roach*, chairman; William C. Conner, Lawrence E. Dempsey, William T. Smith, Alfred J. Stein, Jesse L. Upchurch*, John A. Wilson, Robert R. Lowdon*, G.R. Nugent*, Donald L. Bryant, Lewis F. Kornfeld, Jr.*

* Member of the Executive Committee.

Areas of Work: Manufactures minicomputers, microcomputers and various other consumer electronics products in 30 factories in 7 different countries. The Lika subsidiary manufactures printed circuit boards.

Divisions and Subsidiaries:

Radio Shack Division

- Radio Shack-Canada
- Radio Shack-U.S. Retail Operations
- Radio Shack-Business Products Division

Tandy International Electronics

- Tandy International Electronics-Europe
- Tandy International Electronics-U.K.

Tandy Trading International

- Tandy Trading International-Australia
- A & A Trading Company

Lika Corporation
Manufactures printed circuit boards.

Memtek Products
Markets a line of Memorex audio and video products.

O'Sullivan Industries
Manufactures furniture for electronic equipment.

Scott-McDuff Corporation
Chain of 24 audio-video appliance stores.

Video Concepts
Name-brand electronics retailers located in malls in 29 states.

Transfer Agent(s):

First National Bank of Boston (Common Stock)
Boston, Massachusetts

InterFirst Bank of Fort Worth, N.A. (Debentures)
Fort Worth, Texas

Texas American Bank/Fort Worth N.A.
(Common Stock & Debentures)
Fort Worth, Texas

Stock Exchange(s): New York

Ticker Symbol: TAN

Number of Employees:

1985	35,000	1982	31,000
1984	34,000	1981	26,000
1983	32,000		

Plant Footage:

1985	3,382,000 sq.ft.	1982	2,142,000
1984	2,959,000	1981	1,880,793
1983	2,434,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 2,841,434	$ 189,060
1984	2,775,496	281,871
1983	2,506,454	278,521
1982	2,050,735	224,085
1981	1,698,853	169,602

	No. of Com. Shares ‡	Earn. per Share ‡
1985	89,490,000	$ 2.11
1984	102,328,000	2.75
1983	104,335,000	2.67
1982	103,395,000	2.17
1981	102,578,000	1.65

+ Includes operating revenues of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$1,063,454,000	$ 11.88
1984	988,696,000	9.66
1983	1,120,872,000	10.74
1982	812,677,000	7.86
1981	571,863,000	5.57

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account

Year ended June 30	1985	1984
Net sales & oper. rev.	$ 2,841,434	$ 2,775,496
Other income	11,530	8,983
Total Income	$ 2,852,964	$ 2,784,479
Cost of sales	1,291,789	1,184,531
Expenses	1,102,135	1,014,827
Depreciation & amortization	51,947	46,079
Interest expense	55,682	4,363
Income before taxes	$ 351,411	$ 534,679
Income taxes	162,351	252,808
Net Income	$ 189,060	$ 281,871

Assets
(000's)

As of June 30	1985	1984
Cash	$ 90,194	$ 154,655
Accts. & notes receiv., net	105,159	122,910
*Inventories	1,197,421	910,530
Other assets	63,995	40,456
Current Assets	$ 1,456,769	$ 1,228,551
#Fixed assets	310,629	288,854
Other assets	155,580	135,039
Total Assets	$ 1,922,978	$ 1,652,444

Tandy Corporation

Liabilities
(000's)

Notes payable	$ 135,406	$ 51,036
Accts. payable	93,467	88,961
Accruals	144,181	130,386
Income taxes	1,975	5,003
Curr. Liabilities	$ 375,029	$ 275,386
Long-term debt	320,068	224,297
Subord. deb.	123,610	123,251
Other liabilities	17,545	18,312
Deferred inc. taxes	23,272	22,502
+ Common stock	95,645	95,645
Add. paid-in capital	76,830	75,413
Retained earnings	1,103,357	914,297
For. curr. trans.	(29,415)	(21,672)
Treasury stock	(182,963)	(74,987)
Total Liabilities & Shareholders' Equity	$ 1,922,978	$ 1,652,444

* At lower of cost (primarily average cost) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.37	19.26
%Net Income to Sales	6.65	10.16
%Net Income to Equity	17.78	28.51
Debt to Equity	0.43	0.28
Working Capital	$1,081,740,000	$953,165,000
Current Ratio	3.88	4.46
Shareholders' Equity	$1,063,454,000	$988,696,000

TEC, Incorporated

2727 North Fairview Avenue
P.O. Box 5646
Tucson, Arizona 85703
(602) 792-2230

Officers: Don V. Hamilton, chairman of the board & chief executive officer; Byron C. Hamilton, president & chief operating officer; Barry A. Hamilton, v.p.-sales, component group; Bruce M. Hamilton, v.p. & gen. mgr.-component group; Ivan D. Schlaefer, v.p.-human resources; William P. Perry, v.p.-purchasing; William E. Wallin, v.p., treasurer & corp. controller.

Directors: Don V. Hamilton*, chairman; Byron C. Hamilton, Edward B. Grayden*, Bruce Hamilton, Kelvin T. Bacon, John P. Schaefer*, W.H.J. Selders.

* Member of the Executive Committee.

Areas of Work: Provides electronic and electro-mechanical human interface products for original equipment manufacturers, as well as performing subcontract assembly for select customers.

Divisions:

Component Group
Tucson, Arizona 85705
Produces Tec-Lite TM switches, indicators and readouts; keyboards, Data-Monitor TM annunciators; Data-Panel displays for the data processing and control industry.

Peripheral Group
Tucson, Arizona 85705
Develops and manufactures computer input/output Data-Screen terminals, and subcontract products.

Transfer Agent(s):

First Interstate Bank of Arizona, N.A.
P.O. Box 1871
Tucson, Arizona 85702

Stock Exchange(s): American

Ticker Symbol: TCK

Number of Employees:

1985	487	1982	569
1984	393	1981	642
1983	429		

Plant Footage:

1985	150,000 sq. ft.	1982	150,000
1984	150,000	1981	150,000
1983	150,000		

Sales and Earnings

	Net Sales	Net Income +
1985	$ 18,401,000	$ 362,000
1984	14,898,000	349,000
1983	14,817,000	(1,057,000)
1982	21,442,000	397,000
1981	19,012,000	179,000

	No. of Com. Shares	Earn. per Share +
1985	866,315	$ 0.42
1984	826,901	0.41
1983	826,901	—
1982	826,901	0.48
1981	825,151	0.22

(Loss)
+ Including extraordinary gain of $73,000 ($0.09 per share) in 1984.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.14	—	—
1984	—	—	—
1983	0.06	—	—
1982	0.08	—	—
1981	0.08	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 5,715,000	$ 6.60
1984	5,310,000	6.42
1983	4,961,000	6.00
1982	6,018,000	7.28
1981	5,676,000	6.88

Income Account *

Year ended June 30	1985	1984
Net sales	$ 18,401,000	$ 14,898,000
Cost of sales	14,279,000	11,515,000
Expenses	3,192,000	2,712,000
Prov. for doubtful accts.	—	50,000
Oper. profit	$ 930,000	$ 621,000
Loss (gain) on Sale of equip.	20,000	(8,000)
Interest income	(99,000)	(77,000)
Interest expense	221,000	264,000
Other expense (income)	20,000	(7,000)
Unusual item	270,000	—
Income (loss) before taxes	$ 498,000	$ 449,000
Income taxes (credit)	136,000	173,000
Net Income (Loss)	$ 362,000	$ 276,000
Extraordinary gain	—	73,000
Net Income (Loss) & extraord. gain	$ 362,000	$ 349,000

* Included in Costs and Expenses, Depreciation $577,000 in 1985 and $636,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 493,000	$ 524,000
Receivables, net	2,522,000	2,100,000
*Inventories	1,515,000	1,931,000
Prepaid expenses	9,000	15,000
Current Assets	$ 4,539,000	$ 4,570,000
#Fixed assets	4,059,000	3,558,000
Other assets	450,000	513,000
Total Assets	$ 9,048,000	$ 8,641,000

Liabilities

Notes payable	$ —	$ 500,000
Long-term debt, curr.	462,000	410,000
Cap. lease oblig., curr.	117,000	99,000
Accts. payable	497,000	620,000
Accruals	965,000	843,000
Income taxes	72,000	28,000
Curr. Liabilities	$ 2,113,000	$ 2,500,000
Long-term debt	684,000	759,000
Cap. lease oblig.	371,000	—
Deferred inc. taxes	165,000	72,000
+ Common stock	173,000	165,000
Add. paid-in capital	1,654,000	1,403,000
Retained earnings	3,888,000	3,742,000
Total Liabilities & Shareholders' Equity	$ 9,048,000	$ 8,641,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	4.17	3.01
%Net Income to Sales	1.97	1.85
%Net Income to Equity	6.33	5.20
Sales to Inventories	12.15	7.72
Debt to Equity	0.29	0.33
Working Capital	$2,426,000	$2,070,000
Current Ratio	2.15	1.83
Shareholders' Equity	$5,715,000	$5,310,000

Tech Serv, Inc.

5301 Holland Drive
Beltsville, Maryland 20705
(301) 474-2900

Officers: Frank L. Goodwin, Jr., president; Eli W. Fleming, v.p.-corporate operations, secretary & treasurer.

Directors: Eli W. Fleming, Frank L. Goodwin, Jr., Ronald C. Ray, William M. Stephens.

Areas of Work: Manufactures radio-controlled miniature aerial ftarget systems and radio controls which are used in guidance of miniature aircraft and other applications.

Subsidiaries:

RS Systems
Beltsville, Maryland 20705
(301) 474-2900
Markets Tech Serv, Inc.'s products.

Transfer Agent(s):

Maryland National Bank
225 North Calvert Street
Baltimore, Maryland 21203

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	50	1982	90
1984	30	1981	100
1983	N.A.		

Plant Footage:

1985	28,300 sq. ft.	1982	28,000
1984	28,300	1981	28,000
1983	28,300		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income +
1985	$ 2,886,167	$ 239,962
1984	1,018,921	(502,950)
1983	2,943,539	128,437
1982	3,067,706	(27,538)
1981	2,633,650	19,196

	No. of Com. Shares ‡	Earn. per Share ‡ †
1985	573,566	$ 0.42
1984	573,566	—
1983	573,566	0.22
1982	571,576	—
1981	561,879	0.03

(Loss)
† Including extraordinary gains of $39,331 ($0.07 per share) in 1983 and $13,219 ($0.02 per share) in 1981.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ (33,560)	$ —
1984	(273,522)	—
1983	229,428	0.40
1982	100,991	0.18
1981	127,911	0.23

(Deficiency)
† Based on the weighied average number of shares outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 2,886,167	$ 1,018,921
Cost of sales	2,211,308	851,972
Expenses	393,217	636,264
Interest expense	113,224	76,712
Other income	(71,544)	(43,077)
Inc. (loss) bef. taxes	$ 239,962	$ (502,950)
Income taxes	73,000	
Net Income (Loss)	$ 166,962	$ (502,950)
Extraord. gain	73,000	—
Net Income (Loss) & extraord. gain	$ 239,962	$ (502,950)

* Included in Costs and Expenses, Depreciation: $28,554 in 1985 and $23,776 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 172,703	$ 91,375
Cert. of deposit	175,000	175,000
Accts. receiv., net	213,383	94,280
*Inventories	109,449	142,627
Prepaid expenses	40,203	26,332
Billings on uncomp. U.S. Gov't contracts	109,953	—
Current Assets	$ 847,495	$ 529,614
#Fixed assets	300,159	255,247
Note receivable	241,237	268,041
Other assets	4,120	5,970
Total Assets	$ 1,393,011	$ 1,058,872

Liabilities

	1985	1984
Long-term debt, curr.	$ 11,138	$ 17,040
Accts. payable	339,224	92,535
Interest payable	12,473	57,750
Notes payable	125,000	175,000
Accruals	56,563	51,143
Billings in exc. of cost	—	45,586
Curr. Liabilities	$ 544,398	$ 439,054
Long-term debt	251,622	262,789
Indebt. to related parties	477,173	477,173
Deferred profit	153,378	153,378
+ Common stock	63,248	63,248
Add. paid-in capital	1,135,536	1,135,536
Deficit	(1,181,589)	(1,421,551)
Treasury stock	(50,755)	(50,755)
Total Liabilities & Shareholders' Equity	$ 1,393,011	$ 1,058,872

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.31	—
%Net Income to Sales	5.78	—
Sales to Inventories	26.37	7.14
Working Capital	$ 303,097	$ 90,560
Current Ratio	1.56	1.21
Shareholders' Equity (Deficiency)	$(33,560)	$(273,522)

Technical Communications Corporation

100 Domino Drive
Concord, Massachusetts 01742
(617) 862-6035

Officers: Arnold M. McCalmont, president; Herbert A. Lerner, treasurer; Edward E. Hicks, secretary & clerk; Bruce A. Beck, v.p.-marketing & sales; John I. Gill, v.p.-manufacturing; William S. Henderson, controller; Michael T. McCallig, v.p.-product development & engineering.

Directors: Dean L. Kellogg, Herbert A. Lerner, Arnold M. McCalmont, chairman; Blanton C. Wiggin James L. Woodward.

Areas of Work: Involved in the design, development and sale of communications security devices, data modulators and demodulators, signaling and supervisory control communication equipment and computer interface equipment.

Subsidiaries:

TCC Foreign Sales Corp. (FSC)

TCC Investment Corp.

Transfer Agent(s):

First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TCCO (NASDAQ)

Number of Employees:

1985	60	1982	80
1984	N.A.	1981	49
1983	80		

Plant Footage:

1985	22,800 sq. ft.	1982	22,800
1984	N.A.	1981	12,600
1983	22,800		

Sales and Earnings

	Net Sales	Net Income
1985	$ 5,270,930	$ 336,725
1984	4,127,302	281,825
1983	4,776,027	501,141
1982	5,154,659	646,915
1981	2,386,771	100,513

	No. of Com. Shares +	Earn. per Share #
1985	1,164,554	$ 0.29
1984	1,120,810	0.25
1983	1,119,910	0.43
1982	1,094,810	0.57
1981	1,083,654	0.09

+ Adjusted to reflect stock dividend.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	100%	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 3,470,996	$ 2.98
1984	2,624,175	2.34
1983	2,341,550	2.09
1982	1,823,785	1.67
1981	1,173,725	1.08

# Adjusted to reflect stock dividend.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 5,270,930	$ 4,127,302
Cost of sales	2,209,051	1,632,677
Expenses	2,659,117	2,332,654
Oper. income	$ 402,762	$ 161,971
Other income	32,963	76,854
Income before taxes	$ 435,725	$ 238,825
Income taxes (credit)	99,000	(43,000)
Net Income	$ 336,725	$ 281,825

* Included in Costs and Expenses, Depreciation and Amortization: $117,584 in 1985, $96,132 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 208,872	114,848
Accts. receiv., net	745,669	436,576
Short-term investments	2,027,483	712,901
*Inventories	1,115,229	1,113,829
Refundable income taxes	—	333,068
Deferred income taxes	39,335	—
Other assets	78,942	73,898
Current Assets	$ 4,215,530	$ 2,785,120
Cash value of life ins.	40,496	38,356
#Fixed assets	429,327	485,227
Deferred income taxes	47,753	80,753
Other assets	15,150	7,982
Loan receivable	88,131	90,192
Total Assets	$ 4,836,387	$ 3,487,630

Liabilities

	1985	1984
Accts. payable	$ 235,185	$ 113,733
Accruals	294,546	178,142
Customers advances	446,925	274,466
Deferred inc. taxes	—	76,665
Income taxes payable	165,096	—
Curr. Liabilities	$ 1,141,752	$ 643,006
Deferred compensation	223,639	220,449
+ Common stock	119,788	112,081
Add. paid-in capital	1,211,082	708,693
Retained earnings	2,140,126	1,803,401
Total Liabilities & Shareholders' Equity	$ 4,836,387	$ 3,487,630

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.27	5.79
%Net Income to Sales	6.39	6.83
%Net Income to Equity	9.70	10.74
Sales to Inventories	4.73	3.71
Working Capital	$3,073,778	$2,142,114
Current Ratio	3.69	4.33
Shareholders' Equity	$3,470,996	$2,624,175

The Technical Materiel Corporation

700 Fenimore Road
Mamaroneck, New York 10543
(914) 698-4800

The Technical Materiel Corporation

Officers: E.J. Hofmann, president; Frank Budetti, v.p.; Ray H. de Pasquale, treasurer; Ruth S. Taylor, secretary.

Directors: R.H. de Pasquale, chairman; E.J. Hofmann, F. Budetti, G.W. Jennings, D.C. MacDonald.

Areas of Work: Engaged in the engineering and manufacture of single sideband radio communications equipment, including field installation, servicing and maintenance.

Transfer Agent(s):

American Stock Transfer Company
99 Wall Street
New York, New York 10005

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	$ 2,271,919	$ 10,719
1984	1,980,924	392,517
1983	2,900,623	578,927
1982	3,448,288	154,729
1981	2,344,376	92,349

	No. of Com. Shares	Earn. per Share †
1985	2,847,704	$ —
1984	2,847,704	0.14
1983	2,847,704	0.20
1982	2,847,704	0.05
1981	2,847,704	0.03

† Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 1,970,842	$ 0.69
1984	1,960,123	0.69
1983	1,566,458	0.55
1982	983,825	0.35
1981	830,082	0.29

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 2,271,919	$ 1,980,924
Cost of sales	1,415,898	1,135,912
Expenses	684,858	737,153
Interest expense	160,343	167,010
Gain on sale	—	(444,672)
Other income	(9,962)	(11,460)
Income before taxes	$ 20,782	$ 396,981
Income taxes	10,063	4,464
Net Income	$ 10,719	$ 392,517

* Included in Costs and Expenses, Depreciation and Amortization: $28,208 in 1985 and $31,153 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 37,627	$ 62,168
Accts. receiv., net	267,457	286,670
*Inventories	3,020,584	3,124,569
Prepaid expenses	46,738	39,302
Current Assets	$ 3,372,406	$ 3,512,709
#Fixed assets	193,891	207,610
Total Assets	$ 3,566,297	$ 3,720,319

Liabilities

	1985	1984
Notes payable	$ 350,000	$ 450,000
Mortgage notes payable	25,000	25,000
Demand notes payable	350,000	370,000
Accts. payable	43,113	51,637
Other accrued taxes	27,342	38,559
Curr. Liabilities	$ 795,455	$ 935,196
Long-term debt	800,000	825,000
+ Common stock	355,963	355,963
Add. paid-in capital	6,924,042	6,924,042
Accumulated deficit	(5,309,163)	(5,319,882)
Total Liabilities & Shareholders' Equity	$ 3,566,297	$ 3,720,319

* At lower of cost average or market.
# Less accumulated depreciation and amortization.
+ $0.125 par value.

Statistical Summary

%Net Income to Sales	0.47	19.81
%Net Income to Equity	0.54	20.03
Sales to Inventories	0.75	0.63
Debt to Equity	0.58	0.65
Working Capital	$2,576,951	$2,577,513
Current Ratio	4.24	3.76
Shareholders' Equity	$1,970,842	$1,960,123

Technitrol, Inc.

1952 E. Allegheny Avenue
Philadelphia, Pennsylvania 19134
(215) 426-9105

Officers: Roy E. Hock, chairman & chief exec. officer; James J. Rafferty, Jr., president; J. Barton Harrison, secretary; Robert J. Citrino, treasurer; Thomas J. Flakoll, v.p.

Directors: Roy E. Hock, chairman; Edward M. Mazze, Gordon Palmer, Jr., J. Barton Harrison, Edwin S. Eichert, III, James M. Papada, III, James J. Rafferty, Jr., Thomas J. Flakoll.

Areas of Work: Manufactures power transformers, pulse transformers, delay lines, electronic scales, electronic force measuring instruments and electronic components.

Divisions:

Components & Transformer Division
Philadelphia & Petersburg, Pennsylvania
Greensboro, Maryland

Products Division
1952 East Allegheny Avenue
Philadelphia, Pennsylvania 19134

Subsidiaries:

Advanced Metallurgy, Inc.
McKeesport, Pa.; Plum Boro, Pa.; Lancaster, Pa.
Manufactures electrical contacts for circuit breakers and semiconductor devices.

John Chatillon & Sons, Inc.
Kew Gardens, N.Y. and Greensboro, N.C.
Manufactures scales, force measuring instruments, and springs.

Technitrol International, Inc.
Wilmington, Delaware

Transfer Agent(s):

First Pennsylvania Bank, N.A.
Philadelphia, Pennsylvania

Stock Exchange(s): American

Ticker Symbol: TNL

Number of Employees:

1985	667	1982	526
1984	728	1981	771
1983	565		

Plant Footage:

1985 .... 255,100 sq. ft.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 39,009,000	$ 3,314,000
1984	37,833,000	3,552,000
1983	32,401,000	2,665,000
1982	25,432,000	1,661,000
1981	29,036,000	1,213,000

	No. of Com. Shares †	Earn. per Share ‡
1985	2,014,476	$ 1.64
1984	2,010,750	1.77
1983	2,009,500	1.36
1982	2,007,920	0.76
1981	2,238,520	0.94

+ Of continuing operations only.
† Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Electronic products	$ 14,500	$ 11,727
Electrical products	11,838	15,325
Mechanical products	8,938	8,348
Services	3,733	2,433
Total	$ 39,009	$ 37,833

Common Stock

	Cash Dividend†	Stock Dividend	Stock Split
1985	$0.30	—	—
1984	0.24	—	—
1983	0.325	—	2-for-1
1982	0.165	—	—
1981	0.155	—	—

† Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 18,984,000	$ 9.42
1984	16,322,000	8.12
1983	13,269,000	6.60
1982	11,019,000	5.49
1981	11,149,000	4.98

† Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 39,009,000	$ 37,833,000
Cost of sales	25,420,000	25,043,000
Expenses	7,370,000	6,588,000
Other income	(216,000)	(29,000)
Income before taxes	$ 6,435,000	$ 6,492,000
Income taxes	3,121,000	3,190,000
DISC tax credit	—	(290,000)
Net Income	$ 3,314,000	$ 3,552,000

* Included in Costs and Expenses, Depreciation and Amortization: $895,000 in 1985 and $665,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 6,192,000	$ 4,649,000
Accts. & notes receiv., net	5,516,000	5,306,000
*Inventories	6,051,000	6,343,000
Prepaid expenses	597,000	217,000
Current Assets	$ 18,356,000	$ 16,515,000
#Fixed assets	5,094,000	4,150,000
Other assets	402,000	402,000
Total Assets	$ 23,852,000	$ 21,067,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 61,000	$ 42,000
Accts. payable	1,109,000	1,338,000
Accruals	1,768,000	1,352,000
Income taxes	—	631,000
Dividends payable	191,000	151,000

Curr. Liabilities	$ 3,129,000	$ 3,514,000
Long-term debt	1,413,000	1,171,000
Deferred inc. taxes	326,000	60,000
+ Common stock	373,000	373,000
Add. paid-in capital	1,686,000	1,521,000
Retained earnings	20,070,000	17,402,000
Treasury stock	(3,145,000)	(2,974,000)
Total Liabilities & Shareholders' Equity	$ 23,852,000	$ 21,067,000

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation.
+ $0.125 par value.

Statistical Summary

%Income bef. Taxes to Revenues	16.50	17.16
%Net Income to Revenues	8.50	9.39
%Net Income to Equity	17.46	21.76
Sales to Inventories	6.45	5.96
Debt to Equity	0.08	0.07
Working Capital	$15,227,000	$13,001,000
Current Ratio	5.87	4.70
Shareholders' Equity	$18,984,000	$16,322,000

Technology Incorporated

1115 Talbott Tower
Dayton, Ohio 45402
(513) 224-9066

Officers: Maurice F. Krug, chairman of the board & president; Ronald T. Deger, exec. v.p.; T. Wayne Holt, corp. v.p. & president-Aerospace Group; Elizabeth Anglea-Krug, v.p. administration; T. Gerald Stafford, general manager, Life Sciences Division; J. Richard Swanson, v.p.-finance & treasurer; Evelyn B. Walker, tax manager/internal auditor; Gary J. Weltch, Corporate Accountant.

Directors: Maurice F. Krug*, John W. Berry*, Jack G. Merrell, James J. Mulligan*, Marvin E. Bruce, Victor J. Cassano, Sr., William J. Hoben, Leo W. Ladehoff.

* Members of Executive Committee.

Divisions and Subsidiaries (Electronic):

Life Sciences Division
P.O. Box 58827
Houston, Texas 77258
(713) 488-5970

Biomedical research and development in the life sciences, particularly physiology, vision and biochemistry; medical systems research, quality control of production chemicals, development and marketing of freeze-dried foods.

Instruments and Controls Division
P.O. Box 3036, Overlook Branch
Dayton, Ohio 45431
(513) 426-2405

Interdisciplinary research and development in flight dynamics aeropropulsion, gas dynamics, solid rocket technology, bioastronautics, nuclear effects, avionics, bioengineering, optics, and instrumentation data acquisition, reduction and analysis; electronic systems design and fabrication. Design, manufacture and marketing of scientific instruments for biomedical research, mass flow measurement of gases, and environmental measurement and control. Manufacture of electric annunciators, alarm systems, sequential event recorders and special purpose control equipment for industrial and public utility power plants and other process controls.

Dempster Systems Inc.
P.O. Box 3127
Knoxville, Tennessee 37917
(615) 637-3711

Manufactures solid waste handling equipment.

Technology/Scientific Services, Inc.
P.O. Box 3065
Overlook Branch
Dayton, Ohio 45431
(513) 426-2405

Scientific, engineering and technical contract services in the fields of electronics, aerospace engineering and computer technology.

Milshaw Hydraulics & Pneumatics Limited
Bradford, Yorkshire, England

Distributor and manufacturer of industrial hydraulic and pneumatic equipment and package systems.

Transfer Agent(s):

Bank One, Dayton, N.A.
Kettering Tower
Dayton, Ohio 45401

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TNLG (NASDAQ)

Number of Employees:

1985	1,733	1982	743
1984	759	1981	707
1983	676		

Sales and Earnings

	Revenues †	Net Income ‡
1985	$ 67,701,652	$ 1,555,431
1984	45,585,968	806,387
1983	38,490,266	511,696
1982	39,305,000	770,782
1981	22,772,000	145,859

	No. of Com. Shares +	Earn. per Share #‡
1985	3,167,321	$ 0.48
1984	3,145,922	0.25
1983	3,120,822	0.16
1982	3,123,846	0.25
1981	3,113,846	0.05

† Of continuing operations only.
‡ Including extraordinary gain of $324,000 ($0.10 per share) in 1984.
+ Adjusted to reflect stock splits.
# Based on the average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1985	1984
Industrial products	$ 44,022,000	$ 29,380,000
Aerospace service	15,095,000	16,206,000
Commercial/Consumer prod.	8,585,000	—
Total	$ 67,702,000	$ 45,586,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.03	—	—
1984	0.02	—	2-for-1
1983	0.016	—	5-for-4
1982	0.01	—	2-for-1
1981	0.01	—	—

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 8,902,427	$ 2.81
1984	7,104,297	2.26
1983	6,328,120	2.03
1982	5,839,261	1.87
1981	5,087,868	1.63

+ Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Revenues	$ 67,701,652	$ 45,585,968
Cost of sales	55,680,670	39,018,760
Expenses	7,813,555	5,366,171
Depreciation	798,415	661,862
Interest expense	1,638,220	1,313,039
Other income	(594,981)	(1,351,952)
Income before taxes	$ 2,365,773	$ 578,088
Income taxes (credit)	850,600	(53,200)
Income - cont. oper.	$ 1,515,173	$ 631,288
Inc.(loss)-discont. oper.	40,258	(148,901)
Net Income	$ 1,555,431	$ 482,387
Extraord. gain	—	324,000
Net Income & extraord. gain	$ 1,555,431	$ 806,387

Assets

As of June 30	1985	1984
Cash	$ 1,518,950	$ 717,404
Accts. receiv., net	23,074,502	10,915,647
Refundable inc. taxes	287,864	—
*Inventories	20,859,726	8,568,544
Prepaid expenses	925,498	118,044
Current Assets	$ 46,666,540	$ 20,319,639
#Fixed assets	3,644,297	2,493,367
Other assets	1,607,729	5,291,070
Assets of discont. oper.	—	2,325,042
Total Assets	$ 51,918,566	$ 30,429,118

Liabilities

Notes payable	$ 10,676,388	$ 3,000,000
Long-term debt, curr.	1,214,752	340,070
Accts. payable	11,817,938	3,898,834
Accruals	7,061,633	2,173,490
Income taxes	—	154,002
Deferred income taxes	1,578,397	1,196,548
Curr. Liabilities	$ 32,349,108	$ 10,762,944
Long-term debt	6,183,037	9,420,237
Subordinated long-term debt	600,000	600,000
Deferred inc. taxes	1,451,275	101,559
Deferred income	2,432,719	2,440,081
+ Common stock	1,667,321	1,646,742
Retained earnings	6,918,529	5,457,555
For. curr. trans.	316,577	—
Total Liabilities & Shareholders' Equity	$ 51,918,566	$ 30,429,118

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Net Income to Equity	17.47	6.79
Debt to Equity	2.10	1.88
Working Capital	$14,317,432	$9,556,695
Current Ratio	1.44	1.89
Shareholders' Equity	$8,902,427	$7,104,297

Tech/Ops, Inc.

(formerly Technical Operations, Incorporated)

One Beacon Street
Boston, Massachusetts 02108
(617) 523-2030

Officers: Marvin G. Schorr, chairman of the board & president; Paul B. Rosenberg, vice president-finance and administration and treasurer; Stanley R. Hyle, asst. secretary & asst. to president; Robert P. Moncreiff, secretary and counsel.

Directors: Marvin G. Schorr*, chairman; Eric T. Clarke, Harold C. Mayer, Jr., Herbert Roth, Jr.*, C. Vincent Vappi*; Milton C. Lauenstein.

* Member of the Executive Committee.

Areas of Work: Manufactures radiographic equipment, and operates a personnel radiation detection and monitoring service. Develops, manufactures and markets control systems for electric fork lift trucks and other battery powered vehicles.

Divisions and Subsidiaries:

Nuclear Products and Services
Boston, Massachusetts

R.S. Landauer, Jr. & Company
Glenwood, Illinois

Tech/Ops, Inc.

Radiation Products Division
Burlington, Massachusetts

Radiation Products Division UK
Washington, England

Nagase-Landauer, Ltd. (50%)
Tokyo, Japan

Electronic Controls & Components

Tech/Ops Limited
Gateshead, England

Sevcon, Limited
Gateshead, England

Tech/Ops, S.A.
Paris, France

Sevcon USA
Burlington, Massachusetts

ICW, Limited
Wrexham, North Wales

Transfer Agent(s):

The Bank of Boston
Boston, Massachusetts 02101

Stock Exchange(s): American

Ticker Symbol: TO

Number of Employees:

1985	450	1983	400
1984	450		

Plant Footage:

1985	130,000 sq. ft.	1983	134,000
1984	130,000		

Sales and Earnings

	Net Sales +	Net Income ‡
1985	$ 26,182,000	$ 9,085,000
1984	23,918,000	3,045,000
1983	21,112,000	3,694,000
1982	22,780,000	1,700,000
1981	23,601,000	2,311,000

	No. of Com. Shares †	Earn. per Share #‡
1985	2,172,000	$ 4.03
1984	2,655,000	1.19
1983	2,766,000	1.45
1982	2,436,000	0.59
1981	3,102,000	0.73

+ Includes contract revenues, of continuing operations only.
‡ Including extraordinary gain of $1,692,000 ($0.67 per share) in 1983.
† Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	3-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 9,612,000	$ 4.43
1984	15,793,000	5.95
1983	14,265,000	5.16
1982	10,357,000	4.25
1981	12,760,000	4.11

† Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 26,182,000	$ 23,918,000
Cost of sales	11,179,000	10,996,000
Expenses	10,081,000	9,416,000
Interest expense	394,000	356,000
Other income	(622,000)	(700,000)
Income before taxes	$ 5,150,000	$ 3,850,000
Income taxes	2,350,000	1,251,000
Inc. - cont. oper.	$ 2,800,000	[illegible] 2,599,000
Inc. - discont. oper.	6,285,00[illegible]	446,000
Net Income	$ 9,085,000	$ 3,045,000

* Included in Costs and Expenses, Depreciation and Amortization: $555,000 in 1985 and $485,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash & cash equiv.	$ 9,369,000	$ 5,068,000
Receiv., net	5,436,000	5,523,000
*Inventories	2,826,000	2,740,000
Prepaid expenses	468,000	319,000
Assets of discont. oper.	250,000	—
Current Assets	$ 18,349,000	$ 14,023,000
#Fixed assets	3,616,000	3,126,000
Notes receivable	269,000	432,000
Other assets	1,125,000	1,098,000
Intangibles	2,466,000	2,378,000
Assets of discont. oper.	573,000	4,721,000
Total Assets	$ 26,398,000	$ 25,778,000

Liabilities

Long-term debt, curr.	$ 327,000	$ 219,000
Accts. payable	1,252,000	1,246,000
Accruals	2,551,000	2,221,000
Accrued inc. taxes	2,246,000	297,000
Deferred contract revenue	2,379,000	1,768,000
Curr. Liabilities	$ 12,605,000	$ 5,751,000
Long-term debt	3,170,000	3,477,000
Long-term liabilities	594,000	447,000
Deferred taxes	417,000	310,000
+ Common stock	2,171,000	2,655,000
Add. paid-in capital	3,347,000	3,306,000
Retained earnings	6,702,000	12,618,000
Foreign curr. trans.	(620,000)	(1,004,000)
Prepaid compensation	(1,988,000)	(1,782,000)
Total Liabilities & Shareholders' Equity	$ 26,398,00	$ 25,778,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 stated value.

Statistical Summary

%Net Income to Equity	94.52	19.28
Sales to Inventories	9.26	8.46
Debt to Equity	0.36	0.23
Working Capital	$5,744,000	$ 8,272,000
Current Ratio	1.46	2.44
Shareholders' Equity	$9,612,000	$15,793,000

Tech-Sym Corporation

10500 Westofficer Drive
Houston, Texas 77042
(713) 785-7790

Officers: Wendell W. Gamel, chairman of the board & president; Robert E. Moore, v.p., secretary & general counsel; Ray F. Thompson, treasurer & controller; Coy J. Scribner, v.p. & president-Metric Systems Corp.; Rollin J. Sloan, president-TRAK Microwave.

Directors: Keigh R. Beeman, Wendell W. Gamel, Henry H. Leigh, Robert E. Moore, Walter B. Putnam, Joal A. Teresko, Charles C. Webb, Coy J. Scribner, Rollin J. Sloan, Christopher C. Kraft, Jr.

Divisions and Subsidiaries:

TRAK Microwave Corporation
4726 Eisenhower Boulevard
Tampa, Florida 33614
(813) 884-1411

Western Division
735 Palomar Avenue
Sunnyvale, California 94086
(408) 735-9660

Manufacturer of microwave integrated circuits (video, intermediate frequency and microwave amplifiers, very stable oscillators, microwave transmitters) and microwave ferrite isolators and circulators; microwave energy sources, automatic weighing and measuring systems, a major portion of a laser tracking level, timing equipment and systems and specialty computer components and systems.

Metric Systems Corporation
645 Anchors Street
Fort Walton Beach, Florida 32548
(904) 244-9600

Produces military electronics, industrial and commercial data interface, monitoring and data processing. Military electronic products include timing terminals, the IRIG Time Reader, real time interface systems, meterological data processing systems, and other computer oriented systems. Produces monitoring and controls products and systems for paper mill boiler operations, paper production and electric power companies. Has developed a microprocessor, a small scale digital computer designed around a central integrated circuit. The Aeromechanics Division of Metric Systems Corporation is a supplier of materials and equipment for the domestic military transportation market, products include aerial delivery equipment.

Enterprise Electronics Corporation
Industrial Parkway
P.O. Box 1216
Enterprise, Alabama 36331
(205) 347-3478

World-wide supplier of radar systems for meteorology. The systems detect, analyze and display information on weather patterns.

Tecom Industries, Inc.
9324 Topanga Canyon Blvd.
Chatsworth, California 91311
(818) 341-4010

Manufactures antennas for surveillance, communications, electronic warfare, missiles, and telemetry. Other products include positioners and controllers.

Transfer Agent(s):

First City National Bank of Houston
Stock Transfer Section
P.O. Box 809
Houston, Texas 77001

The Chase Manhattan Bank, N.A.
Shareholder Services
1 New York Plaza, 14th Floor
New York, New York 10081

Stock Exchange(s): American

Ticker Symbol: TSY

Sales and Earnings

	Net Sales	Net Income +
1985	$ 91,441,000	$ 6,411,000
1984	71,585,000	7,826,000
1983	57,126,000	6,805,000
1982	53,338,000	4,570,000
1981	33,090,000	1,742,000

	No. of Com. Shares	Earn. per Share ‡
1985	6,619,225	$ 0.96
1984	6,682,245	1.19
1983	6,619,818	1.08
1982	6,137,653	0.80
1981	5,272,278	0.33

+ Of continuing operations only.
‡ Based on the weighted average number of shares outstanding during each year.

Revenues By Line of Business

	1985	1984
Electronics	$ 82,044,000	$ 63,451,000
Aeromechanics	8,799,000	7,624,000
Real estate	598,000	510,000
Total	$ 91,441,000	$ 71,585,000

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Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 62,110,000	$ 9.38
1984	56,496,000	8.45
1983	47,750,000	7.21
1982	31,687,000	5.16
1981	19,972,000	3.79

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 91,441,000	$ 71,585,000
Cost of sales	62,315,000	45,128,000
Expenses	16,094,000	14,313,000
Prod. develop. costs	578,000	543,000
Interest expense	1,898,000	839,000
Other income	(2,034,000)	(2,047,000)
Income bef. taxes	$ 12,590,000	$ 12,809,000
Income taxes	5,462,000	5,386,000
Inc. - cont. oper.	$ 7,128,000	$ 7,423,000
Inc. (loss)-disc. oper.	(717,000)	453,000
Net income	$ 6,411,000	$ 7,876,000

* Included in Costs and Expenses, Depreciation, Depletion and Amortization: $2,777,000 in 1985 and $1,930,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,584,000	$ 1,703,961
Marketable securities	16,015,000	14,397,216
Receiv., net	12,753,000	12,640,755
Unbilled revenue	26,565,000	18,585,590
*Inventories	7,444,000	11,347,759
Other curr. assets	164,000	277,281
Current Assets	$ 65,525,000	$ 58,952,562
Other assets	3,078,000	3,228,371
Long-term receivables	4,554,000	1,218,538
#Fixed assets	20,284,000	19,779,564
Prop. held for resale	1,132,000	1,016,589
Total Assets	$ 94,573,000	$ 84,195,624

Liabilities

	1985	1984
Long-term debt, curr	$ 7,687,000	$ 7,293,838
Accts. payable	4,903,000	3,815,778
Accruals	5,350,000	5,595,135
Income taxes	966,000	279,003
Current Liabilities	$ 18,906,000	$ 16,983,754
Long-term debt	10,898,000	8,935,873
Deferred commissions & other liabilities	2,659,000	1,780,343
+ Common stock	688,000	685,052
Add. paid-in capital	32,042,000	31,800,661
Retained earnings	30,526,000	24,114,879
Treasury stock	(1,146,000)	(104,938)
Total Liabilities & Shareholders' Equity	$ 94,573,000	$ 84,195,624

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and depletion.
+ $0.10 par value.

Statistical Summary

	1985	1984
% Net Income to Equity	10.32	13.94
Sales to Inventories	12.28	6.31
Debt to Equity	0.30	0.29
Working Capital	$46,619,000	$41,968,808
Current Ratio	3.47	3.47
Shareholders' Equity	$62,110,000	$56,495,654

Techtran Industries, Inc.

200 Commerce Drive
Rochester, New York 14623
(716) 334-9640

Officers: John E. Blackert, chairman, chief exec. officer & treasurer; Robert L. Wagner, president & chief operating officer; Carol Ann Blackert, secretary.

Directors: John E. Blackert, chairman; A.R. Solomon, W. John Bennett, Jr., Robert S. Erlich, Robert L. Wagner.

Areas of Work: Manufactures digital cassette and disc recording equipment, datalogging and electronic switching systems and telephone recorders.

Subsidiaries:

A.D. Data Systems, Inc.
Designs and manufactures datalogging and site monitoring systems.

Transfer Agent(s):

Chase Lincoln First
P.O. Box 1250
Rochester, New York 14603

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	74	1983	112
1984	104	1982	110

Plant Footage:

1985	19,000 sq. ft.	1983	19,000
1984	26,800	1982	24,000

Sales and Earnings

	Net Sales	Net Income +
1985	$ 5,066,056	$ (1,410,851)
1984	5,395,528	(742,481)
1983	7,006,367	297,052
1982	4,732,965	(687,523)
1981	4,596,599	(201,123)

	No. of Com. Shares	Earn. per Share ‡ +
1985	873,301	$ —
1984	841,301	—
1983	794,622	0.37
1982	783,957	—
1981	771,957	—

(Loss)
+ Including extraordinary gain of $109,301 ($0.13 per share) in 1983.
‡ Based on the weighted average number of shares of common stock and common stock equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 784,053	$ 0.90
1984	2,126,904	2.53
1983	2,599,642	3.27
1982	2,244,731	2.86
1981	2,902,254	3.76

Income Account *

Year ended Aug. 31	1985	1984
Net revenues	$ 5,066,056	$ 5,395,528
Other income	56,939	80,451
Total Income	$ 5,122,995	$ 5,475,979
Cost of sales & serv.	2,277,276	2,842,734
Expenses	2,311,756	2,455,109
Research & devel.	485,663	625,467
Interest expense	273,259	238,466
Profit sharing	60,000	70,000
Write-off-disc. invent.	56,107	—
Write-off-receiv. in litigation	553,589	—
Loss before taxes	$ (1,404,655)	$ (755,797)
Income taxes (credit)	6,196	(13,316)
Net Loss	$ (1,410,851)	$ (742,481)

* Included in Costs and Expenses, Depreciation and Amortization: $95,347 in 1985 and $133,851 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 308,321	$ 107,927
Short-term invest.	218,181	548,280
Accts. receiv., net	733,638	1,396,399
*Inventories	1,605,861	2,260,349
Prepaid expenses	38,035	65,239
Current Assets	$ 2,904,036	$ 4,378,194
#Fixed assets	656,627	738,055
Total Assets	$ 3,560,663	$ 5,116,249

Liabilities

	1985	1984
Long-term debt, curr	$ 16,600	$ 16,541
Accts. payable	180,004	313,783
Accruals	241,362	298,646
Accrued payroll	82,304	89,892
Accrued inc. taxes	4,070	1,290
Curr. Liabilities	$ 524,340	$ 720,152
Long-term debt	2,252,270	2,269,193
+ Common stock	8,732	8,412
Add paid-in capital	2,902,503	2,834,823
Retained earnings (deficit)	(2,127,182)	(716,331)
Total Liabilities & Shareholders' Equity	$ 3,560,663	$ 5,116,249

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1985	1984
Debt to Equity	2.89	1.07
Working Capital	$2,379,696	$3,658,042
Current Ratio	5.54	6.08
Shareholders' Equity	$ 784,053	$2,126,904

Tektronix, Inc.

P.O. Box 500
14150 S.W. Karl Brown Drive
Beaverton, Oregon 97077
(503) 627-7111

Officers: Earl Wantland, president & chief exec. officer; Willem B. Velsink, exec. v.p.; Larry N. Choruby, John L. Landis, sr. v.p.'s; Kevin T. Considine, Francis Doyle, David P. Friedley, Charles H. Frost, Frederick L. Hanson, Stanley F. Kouba, Tom Long, Howard W. Mikesell, William J. Polits, Jon S. Reed, Phillip J. Robinson, v.p.'s; R. Allen Leedy, Jr., v.p., secretary & gen. counsel; Kenneth H. Knox, treasurer; Bill J. Robinson, controller; N. Eric Jorgensen, asst. secretary; Barbara J. Block, Fletcher C. Chamberlin, asst. treasurers.

Directors: John D. Gray, chairman; Howard Vollum, vice chairman; James B. Castles, Louis B. Perry, Earl Wantland, Donald Lundeen, William D. Walker, Paul Bragdon, F. Paul Carlson, Leonard Laster, Donald O. Pederson.

Areas of Work: Designs, manufactures and markets a wide variety of electronic equipment for design, service and manufacturing. These include laboratory and portable oscilloscopes, instrument systems, accessories, logic analyzers, LSI and VSLI semiconductor testers, microprocessor development systems, television test and production equipment, fiber optic and coaxial reflectometers, and network testers. Also manufactures smart and intelligent graphic computer workstations, inkjet and dry silver hardcopy devices, graphic input products, graphic display products and electronic design software.

Subsidiaries:

Tektronix Development Corp.
Beaverton, Oregon

CAE Systems Inc.
Santa Clara, California

The Grass Valley Group, Inc.
Grass Valley, California

Dubner Computer Systems, Inc.
Fort Lee, New Jersey

G.V.G. International Ltd.
Winchester, United Kingdom

Tektronix Europe B.V.
Amstelveen, The Netherlands

Tektronix Australia Pty. Ltd.
Sydney, Melbourne, Brisbane, Canberra, Adelaide & Perth, Australia

Tektronix Ges. mbH
Vienna. Austria

Tektronix S.A.
Brussels, Belgium

Tektronix Canada Ltd.
Barrie & Ontario, Canada

Tektronix A/S
Copenhagen, Denmark

Tektronix France
Paris, France

Tektronix GmbH
Cologne, West Germany

Tektronix Holland N.V.
Badhoevedorp, The Netherlands

Sony/Tektronix Corporation (50% owned)
Tokyo, Japan

Tektronix AB
Stockholm & Gothenburg, Sweden

Tektronix International AG
Zug & Geneva, Switzerland

Tektronix U.K. Ltd.
Harpenden, Hertfoldshire
England

Tektronix U.K. Ltd.
Dublin, Ireland

Tektronix Norge A/S
Oslo, Norway

Tektronix Oy
Helsinki, Finland

Tektronix-Industria e Commercio Ltda.
Rio de Janeiro & Sao Paulo, Brazil

Tektronix Guernsey Limited
Channel Island of Guernsey

Tektronix Sa. de C.V. (49% owned)
Mexico City, Mexico

Tektronix International A.G.
Zug, Geneva, Switzerland

Tektronix S.P.A.
Milan, Rome and Turin, Italy

Tektronix Espanola S.A.
Madrid & Barcelona, Spain

Transfer Agent(s):

Morgan Guaranty Trust Company
New York, New York

Stock Exchange(s): New York, Pacific

Ticker Symbol: TEK

Number of Employees:

1985	20,525	1982	23,231
1984	20,693	1981	24,028
1983	21,078		

Plant Footage:

1985	7,840,000 sq. ft.	1982	7,496,000
1984	7,747,000	1981	7,300,000
1983	7,785,000		

Sales and Earnings ×

	Net Sales	Net Income
1985	$1,438,082,000	$ 90,181,000
1984	1,332,958,000	112,054,000
1983	1,191,485,000	46,807,000
1982	1,195,748,000	79,290,000
1981	1,061,834,000	80,167,000

	No. of Com. Shares	Earn. per Share #
1985	20,701,000	$ 4.41
1984	20,242,000	5.74
1983	19,335,000	2.45
1982	18,878,000	4.23
1981	18,574,000	4.34

× Restated to include operations of CAE Systems, Inc., acquired on a pooling of interests basis.
# Based on the average number of shares outstanding.

' Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.00	—	—
1984	1.00	—	—
1983	1.00	—	—
1982	0.98	—	—
1981	0.90	—	—

Common Stock Equity ×

	Total Equity	Equity Per Share
1985	$ 855,038,000	$ 41.30
1984	783,174,000	38.69
1983	665,657,000	34.43
1982	632,111,000	33.48
1981	557,544,000	30.02

× Restated.

Income Account *
(000's)

Year ended	5/25/85	5/26/84 ‡
Net sales	$ 1,438,082	$ 1,332,958
Cost of sales	693,442	672,932
Expenses	558,046	483,864
Profit sharing	59,023	45,398
Interest expense	19,338	25,709
Other income	(12,220)	(949)
Income before taxes	$ 120,453	$ 106,004
Income taxes (credit)	30,272	(6,050)
Net Income	$ 90,181	$ 112,054

* Included in Costs and Expenses, Depreciation: $79,243,000 in 1985 and $74,903,000 in 1984.
‡ Restated.

Assets
(000's)

As of	5/25/85	5/26/84 ‡
Cash	$ 232,557	$ 173,783
Accts. receiv.	279,771	280,656
*Inventories	219,056	260,369
Prepaid expenses	34,435	35,983
Current Assets	$ 765,819	$ 750,791
Other assets	60,029	62,076
#Fixed assets	398,524	409,301
Total Assets	$ 1,224,372	$ 1,222,168

Liabilities
(000's)

Short-term debt	$ 19,553	$ 29,045
Accts. payable	99,443	93,842
Accrued compensation	92,375	84,886
Income taxes	17,081	11,046
Curr. Liabilities	$ 228,452	$ 218,819
Long-term debt	92,103	170,475
Other liabilities	23,722	28,652
Deferred inc. taxes	25,057	21,048
+ Common stock	124,837	112,309
Reinvested earnings	757,285	686,780
Currency trans. adj.	(27,084)	(15,915)
Total Liabilities & Shareholders' Equity	$ 1,224,372	$ 1,222,168

‡ Restated.
* At lower of cost of market. (U.S. inventory at LIFO; Foreign at FIFO).
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.38	7.95
%Net Income to Sales	6.27	8.41
%Net Income to Equity	10.55	14.31
Sales to Inventories	6.56	5.12
Debt to Equity	0.13	0.25
Working Capital	$537,367,000	$531,972,000
Current Ratio	3.35	3.43
Shareholders' Equity	$855,038,000	$783,174,000

Teledyne, Inc.

1901 Avenue of the Stars
Los Angeles, California 90067
(213) 277-3311

Officers: Henry E. Singleton, chairman of the board; George A. Roberts, chief exec. officer & president; Frederick A. Kaufman, Leo W. Killen, G. Williams Rutherford, Allen H. Orbuch, Jerrold V. Jerome, vice presidents; Charles E. Rinsch, vice president, treasurer & secretary.

Directors: Henry E. Singleton, chairman; George Kozmetsky, George A. Roberts, Arthur Rock, Fayez Sarofin.

Areas of Work: Involved in four major areas of work: Aviation & Electronics; Machines & Metals; Engines, Energy & Power; and Commercial & Consumer. The Aviation & Electronic group is involved in the construction of aircraft engines, instrumentation, semiconductors and systems. The Machines and Metals group manufactures threading tools, bending machines welding positioners and other related products. The Engines, Energy & Power group manufactures liquid and air-cooled engines, seismic exploration, surveying, oil and gas production equipment, offshore drilling platforms, instrumentation for radioisotope measurement, thermoelectric generators, transformer cables, electrical connectors, rotary and solid state power systems, and analytical instruments. The Commercial and Consumer group manufactures high fidelity loudspeaker systems, swimming pool heaters, "Water Pik", dental products and instruments, drafting instruments, plastic bottles, rubber parts and plastic products.

Divisions and Subsidiaries:

Aviation and Electronics

Teledyne Aerospace Systems
1007 E. 10th Street
Fairmont, Minnesota 56031
Designs and produces high quality multi-conductor electrical cable assemblies and wiring harnesses.

Teledyne Avionics
Charlottesville-Albemarle Airport
Charlottesville, Virginia 22906
Produces angle of attack instrumentation, pneumatic instrumentation such as the IVSI (Inertial-lead Vertical Speed Indicator), and audiometers used to screen children for hearing disabilities.

Teledyne Battery Products
840 West Brockton
Redlands, California 92374
Designs and manufactures dry charged lead acid batteries for military trucks, aircraft, standby power, and other specialty applications.

Teledyne Brown Engineering
Cummings Research Park
Huntsville, Alabama 35807
Manufactures missile components and subsystems and targets and drones for the military; performs tasks ranging from ground test support for the main engine to the role of payload integration, in the U.S. Shuttle program.

Teledyne CAE
1330 W. Laskey Road
Toledo, Ohio 43612
Designs, develops and manufactures gas turbine engines.

Teledyne Camera Systems
131 North Fifth Avenue
Arcadia, California 91006
Manufactures photographic instrumentation, photo-optical systems and components including specialized airborne cameras, underwater photographic equipment and infrared detection systems.

Teledyne Continental Motors Aircraft Products
Brookley & Industrial Complex
Mobile, Alabama 36615
Produces aircraft piston engines.

Teledyne Controls
12333 W. Olympic Boulevard
Los Angeles, California 90064
Produces a wide variety of electronic equipment for commercial military and other applications, including airborne electronic equipment utilizing automatic digital communication.

Teledyne Crystalonics
147 Sherman Street
Cambridge, Massachusetts 02140
Manufactures high reliability semiconductors and specializes in the redevelopment of silicon transistor, tuning and current regulator diodes and hybrid microcircuits.

Teledyne Electro-Mechanisms
110 Lowell Road
Hudson, New Hampshire 03051
Produces flexible etched circuitry used in high reliability aerospace and electronic applications where space and weight requirements must be kept to a minimum.

Teledyne Electronics
649 Lawrence Drive
Newbury Park, California 91320
Designs, develops and manufactures airborne and ground based identification systems and test equipment (Identification Friend or FOE/Air Traffic Control). Also produces telemetry transmitters, multiplexers and signal conditioning equipment.

Teledyne Hastings-Raydist
804 Newcombe Avenue
Hampton, Virginia 23661
Provides products and services for navigational purposes such as precise radio location and positioning in inland and coastal waterways.

Teledyne Kinetics
410 South Cedros Avenue
Solana Beach, California 92075
Designs and manufactures proprietary electro-mechanical products including motor driven switches for use on missiles and space vehicles and printed circuit connectors.

Teledyne Lewisburg
Industrial Park
Lewisburg, Tennessee 37091
Manufactures high reliability electronic and electromechanical equipment for defense, space and industrial applications including UHF radio communications systems, fixed station transceivers, process control equipment for nuclear energy plant safety systems and data acquisition equipment for wind tunnel operation and control.

Teledyne McCormick Selph
3601 Union Road
Hollister, California 95023
Produces ordnance devices and specialty chemicals.

Teledyne MEC
3165 Porter Drive
Palo Alto, California 94304
Manufactures microwave devices for use in electronic countermeasures.

Teledyne Microelectronics
12964 Panama Street
Los Angeles, California 90066
Manufactures custom, high-reliability hybrid microcircuits.

Teledyne Microwave
1290 Terra Bella Avenue
Mountain View, California 94043
Designs and manufactures passive and active microwave devices and subsystems including filters, multiplexers and integrated sub-assemblies; ferrite components including circulators and isolators; coaxial, SPDT, transfer and multithrow switches and voltage controlled oscillator systems.

Teledyne Neosho
Doniphan Drive
Neosho, Missouri 64850
Precision gears for jet, tubine, and reciprocating engines.

Teledyne Philbrick
Allied Drive at Route 128
Dedham, Massachusetts 02026
Manufactures hybrid and modular electronic components including data converters, linear circuit components, nonlinear components and power supplies.

Teledyne Relays
12525 Daphne Avenue
Hawthorne, California 90250
Manufactures hermetically sealed eletromechanical relays and solid state relays for electronic applications.

Teledyne Ryan Aeronautical
2701 Harbor Drive
San Diego, California 92138
Designs and develops remotely piloted supersonic airborne vehicles, Doppler velocity sensors, radar and infrared altimeters, microwave and electronically scannable antennas and space landing radars.

Teledyne Ryan Electronics
8650 Balboa Avenue
San Diego, California 92123
Designs and manufactures high technology radar related navigation and avionic systems.

Teledyne Semiconductor
1300 Terra Bella Avenue
Mountain View, California 94043
Manufactures semiconductor components and integrated circuits.

Teledyne Systems
19601 Nordhoff Street
Northridge, California 91324
Engaged in the manufacture of airborne and spaceborne computers, inertial and radio frequency navigation systems, custom test and ground support systems. Sales are principally to government and defense.

Teledyne Thermatics
P.O. Box 909
Elm City, North Carolina 27822
Full service wire and cable company.

Transfer Agent(s):
Bank of America N.T. & S.A.
Corporate Agency Service Center
P.O. Box 37002
San Francisco, California 94137

Stock Exchange(s): New York, Pacific

Ticker Symbol: TDY

Number of Employees:

1985	47,200	1983	50,000
1984	45,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 3,256,200	$ 546,400
1984	3,494,300	574,300
1983	2,979,000	304,600
1982	2,863,800	269,600
1981	3,237,600	421,900

	No. of Com. Shares ‡	Earn. per Share ‡
1985	11,709,478	$ 46.66
1984	15,235,393	37.69
1983	20,479,764	14.87
1982	20,657,531	13.05
1981	20,657,531	20.43

‡ Based on the weighted average number of shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Industrial	$ 930,600	$ 994,400
Aviation & electronics	1,368,100	1,486,400
Specialty metals	692,600	730,700
Consumer & other	264,900	282,800
Total	$ 3,256,200	$ 3,494,300

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$1,577,400,000	$ 134.71
1984	1,159,300,000	76.09
1983	2,641,200,000	128.97
1982	2,111,100,000	102.20
1981	1,723,200,000	83.42

# Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,256,200	$ 3,494,300
Cost of sales	2,529,200	2,762,100
Expenses	437,900	431,500
Interest expense	26,000	40,100
Interest income	(15,600)	(63,400)
Gain on sale of secur.	(36,700)	(25,400)
Income before taxes	$ 315,400	$ 349,400
Income taxes	132,800	88,700
Eq. in inc. of unconsol. subsid.	(363,800)	(313,600)
Net Income	$ 546,400	$ 574,300

* Included in Costs and Expenses, Depreciation and Amortization: $111,900,000 in 1985 and $106,600,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & market. secur.	$ 67,300	$ 198,000
Receiv., net	421,600	427,800
*Inventories	172,600	136,700
Prepaid expenses	12,000	10,700
Current Assets	$ 673,500	$ 773,200
Investments	1,723,000	1,647,100
#Fixed assets	337,300	338,600
Other assets	32,200	31,800
Total Assets	$ 2,766,000	$ 2,790,700

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 1,900	$ 2,000
Accts. payable	126,000	135,700
Accruals	228,300	214,000
Income taxes	51,200	9,800
Curr. Liabilities	$ 407,400	$ 361,500
Long-term debt	669,200	1,070,700
Def. income taxes	79,700	155,600
Other liabilities	32,300	43,600
+ Common stock	11,700	11,700
Add. paid-in capital	83,200	83,200
Retained earnings	1,426,900	880,500
Equity in unrealized apprec. in marketable sec. of uncons. subs.	58,400	187,800
Treasury stock	(2,800)	(3,900)
Total Liabilities & Shareholders' Equity	$ 2,766,000	$ 2,790,700

* At lower of cost (FIFO and LIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.69	10.00
%Net Income to Sales	16.78	16.44
%Net Income to Equity	34.64	49.54
Sales to Inventories	18.87	25.56
Debt to Equity	0.43	0.93
Working Capital	$266,100,000	$ 411,700,000
Current Ratio	1.65	2.14
Shareholders' Equity	$1,577,400,000	$1 159,300,000

Teleflex Incorporated

155 South Limerick Road
Limerick, Pennsylvania 19468
(215) 948-5100

Officers: L.K. Black, chairman & chief executive officer; John H. Remer, sr. v.p.-administration; John J. Sickler, sr. v.p. & chief financial officer; Ira Albom, president & chief operating officer-Aerospace; Thomas A. Coneys, sr. v.p.; Roy C. Carriker, president and chief operating officer- Sermatech; David S. Boyer, pres. & chief operating officer-Commercial Products Group; Claude Jacquemin, dir.-int'l marketing services; August E. Tschanz, v.p. & gen mgr.-Development & Training Center; James D. Wilson, dir.-human resources; Harold L. Zuber, Jr., v.p. & controller; John F. Schoenfelder, v.p., secretary & treasurer; Steven K. Chance, dir.-legal services.

Directors: John H. Remer, Harry T. Devine, L.K. Black, John J. Sickler, Lewis E. Hatch, Jr., Pemberton Hutchinson, Palmer E. Retzlaff, Donald Beckman, Lewis W. Bluemle, Jr.

Areas of Work: Specialized mechanical, electromechanical, and hydraulic control systems including steering, engine controls, and cable linkages for aircraft, space vehicles, commercial ships and vehicular industries. Measurement and control systems for nuclear and chemical reactors, industrial processes, and other hostile atmospheres. Custom designed mechanical wire and cable controls including accelerators and cruise controls, hood releases, transmission and shift controls, disappearing tailgate window regulator system, heater, vent, and air conditioning controls, brake release controls, seat-back latches, and sunroof helical cable assemblies for automotive and motor truck industries. Engine control systems, electrical instrumentation systems, cables, and wiring harnesses for buses, trucks, industrial and leisure vehicles. Mechanical steering systems, engine control systems and cables, electrical instrumentation systems and wiring harnesses for pleasure marine industry. SermeTel inorganic corrosion resistant coatings and processes, ceramic compounds, and composites for aerospace, electronic, and industrial markets. Highly engineered fluoroplastic products including smooth wall and convoluted tubing, sleeving, and conduit, shapes, profile, custom linings and lined products, braided hose, custom wire products, rod and beading, and heat shrinkables for aerospace, automotive, industrial, medical and electronic applications.

Operation & Subsidiaries:

Technical Products and Services:

Teleflex Aerospace
Church Road
North Wales, Pennsylvania 19454

Hoover Electric Company
2100 South Stoner Avenue
Los Angeles, California 90025
(231) 272-3125

Hutson Aerospace, Inc.
3500 South Cooper
Arlington, Texas 76015
(816) 467-4927

Teleflex Medical, Inc.
Tall Pines Park
Jaffrey, New Hampshire 03452
(603) 523-7706

Aries Medical Inc.
Woburn, Massachusetts

Tact Inc.
Jaffrey, New Hampshire

TFX Medical
Limerick County, Ireland

Warne Surgical Products Ltd.
Lurgan, Northern Ireland

Franklin Medical Ltd.
Buckinghamshire, England

Sermatech International,Inc.
International Headquarters and Processing Plant
155 South Limerick Road
Limerick, Pennsylvania 19468
(211) 948-5100

STS GmbH
Weilenburg-Strasse 49
5682 Heiligenhaus
West Germany

STS Mid-Atlantic
Limerick, Pennsylvania

STS New England
Windsor, Connecticut

STS Southwest
Sugar Land, Texas

STS West
Compton, California

STS Canada
747 Riddle Avenue
Dorval, Quebec
Canada H9P 1H4

STS U.K.
High Holborn Road, Codnor
Ripley, Derbyshire
England DE5 3NW

CTI
Derbyshire, England

STS Southeast
Gator-Guard, Inc.
Lantana, Florida

Airfoil Management Company
Compton, California

Heurchrome S.A.
176, Rue d'Esteinne-d'Orves
Colombes, France

ECT Inc.
Limerick, Pennsylvania

Commercial Products:

Teleflex Automotive
2530 Industrial Row
Troy, Michigan 48084
(313) 280-0620

Capro, Inc.
300 South Cochran
Willis, Texas 77378

Teleflex Fluid Systems
Progress Industrial Park
506 Hayden Station Road
Windsor, Connecticut 06095
(203) 633-0745

Teleflex Marine/Industrial
640 North Lewis Road
Limerick, Pennsylvania 19468
(215) 495-7011

Teleflex Fluoroplastics Inc.
Jaffrey, New Hampshire

Mechanical Division
Limerick, Pennsylvania

Electrical Division
Sarasota, Florida

Teleflex (Canada) Limited
1650 West Second Avenue
Vancouver, British Columbia
Canada V6J 1H4

Transfer Agent(s):

The Chase Manhattan Bank, N.A.
1 Chase Manhattan Plaza
New York, New York 10005

Stock Exchange(s): American

Ticker Symbol: TFX

Number of Employees:

1985	2,400	1982	1,750
1984	2,000	1981	1,870
1983	1,940		

Sales and Earnings

	Net Sales	Net Income
1985	$ 171,816,400	$ 13,308,300
1984	153,310,700	11,310,000
1983	129,341,000	9,501,000
1982	111,688,900	10,954,100
1981	103,220,400	7,106,300

	No. of Com Shares ‡	Earn per Share ‡
1985	5,301,000	$ 2.51
1984	5,263,000	2.15
1983	5,183,000	1.83
1982	4,706,000	2.33
1981	4,674,000	1.52

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984	1983	1982
Commercial products	59%	63%	55%	46%
Technical products & services	41	37	45	54
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.46	—	—
1984	0.41	—	—
1983	0.37	—	—
1982	0.31	—	—
1981	0.25	—	3-for-2

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 84,312,300	$ 15.90
1984	72,619,600	13.80
1983	63,562,600	12.26
1982	40,107,500	8.58
1981	30,265,000	6.52

† Adjusted to reflect stock split.

Income Account *

Year ended	12/29/85	12/30/84
Net sales	$ 171,816,400	$ 153,310,700
Cost of sales	119,518,400	106,687,200
Expenses	31,684,000	28,543,400
Interest expense	1,626,400	1,395,700
Other income	(3,220,700)	(2,425,600)
Income before taxes	$ 22,208,300	$ 19,110,000
Income taxes	8,900,000	7,800,000
Net Income	$ 13,308,300	$ 11,310,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,789,500 in 1985 and $3,831,500 in 1984.

Assets

As of	12/29/85	12/30/84
Cash & short-term invest.	$ 30,997,100	$ 21,468,600
Accts. receiv., net	33,443,300	26,529,000
*Inventories	26,886,500	27,216,000
Prepaid expenses	839,700	590,900
Current Assets	$ 92,166,600	$ 75,804,500
#Fixed assets	36,220,100	32,033,900
Other assets	1,707,200	1,494,500
Escrowed funds	6,793,200	—
Total Assets	$ 136,887,100	$ 109,332,900

Liabilities

Accts. payable	$ 12,641,500	$ 10,046,000
Cap. lease oblig., curr.	2,346,700	1,960,600
Accruals	5,874,500	5,940,200
Income taxes	4,526,900	1,806,100
Curr. Liabilities	$ 25,389,600	$ 19,752,900
Long-term debt	23,477,200	14,112,400
Deferred inc. taxes	3,708,000	2,848,000
+ Common stock	5,246,900	5,213,900
Add. paid-in capital	18,684,300	18,040,500
Retained earnings	60,821,000	49,891,600
Foreign curr. trans. adj.	(439,900)	(526,400)
Total Liabilities & Shareholders' Equity	$ 136,887,100	$ 109,332,900

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	12.93	12.46
%Net Income to Sales	7.75	7.38
%Net Income to Equity	15.78	15.57
Sales to Inventories	6.39	5.63
Debt to Equity	0.31	0.22
Working Capital	$66,777,000	$56,051,600
Current Ratio	3.63	3.84
Shareholders' Equity	$84,312,300	$72,619,000

TeleSciences, Inc.

124 Gaither Drive
Mount Laurel, New Jersey 08054
(609) 866-1000

Officers: Fred Cohen, chairman of the board & chief exec. officer; Seymour Hernes, exec. v.p., secretary & treasurer; George Daly, sr. v.p.-operations; Alexander S. Micko, v.p. & controller; Robert P. White, v.p.-engineering-Warminster; Paul K. Kavanaugh, v.p.-engineering; Alfred F. Franks, v.p.-marketing.

Directors: Fred Cohen, chairman; Seymour Hernes, Samuel W. Fleming, III, Craig J. Foley, Frank A. McDermott, Jr., Leopold P. Oberst.

Areas of Work: Engaged in the manufacture and marketing of computer-controlled electronic systems for use by telephone operating companies. These systems assist in the planning and maintenance of telephone networks and enable operating companies to generate more accurate billing information.

Subsidiaries:

URIX Corporation
Produces systems that utilize Interactive Voice Response technology for the audiotext market.

Telesciences Capital Corporation

Telesciences Management Services, Inc. (83%-owned)

Transfer Agent(s):

The Bank of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: TSC

Number of Employees:

1985 500

Plant Footage:

1985 164,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income †
1985	$ 45,315,298	$ 1,022,868
1984	64,858,140	3,239,949
1983	52,280,230	(13,522,482)
1982	54,126,825	2,052,140
1981	35,259,653	(806,905)

	No. of Com. Shares	Earn. per Share #†
1985	3,338,138	$ 0.31
1984	3,337,288	0.96
1983	3,320,176	—
1982	3,286,311	0.61
1981	3,238,769	—

(Loss)
† Including extraordinary gains of $494,000 ($0.15 per share) in 1985 and $1,318,000 ($0.39 per share) in 1984.
# Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 23,264,023	$ 6.97
1984	11,748,428	3.52
1983	8,354,185	2.52
1982	21,510,264	6.55
1981	18,867,820	5.83

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 45,315,298	$ 64,858,140
Cost of sales	41,730,001	46,110,052
Shortfall income	(4,270,013)	(4,604,906)
Expenses	21,263,174	21,580,892
Other income	(15,774,632)	(1,294,901)
Income bef. taxes	$ 2,366,768	$ 3,067,004
Income taxes	1,715,000	1,715,000
Inc.-cont. oper.	$ 651,768	$ 1,699,004
Inc. (loss)-discont. oper.	(122,900)	222,945
Net Income	$ 528,868	$ 1,921,949
Extraord. gain	494,000	1,318,000
Net Income & extraord. gain	$ 1,022,868	$ 3,239,949

* Included in Costs and Expenses, Depreciation and Amortization: $4,074,354 in 1985 and $4,497,927 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 306,319	$ 2,611,302
Commercial paper	7,300,000	—
Accts. receiv., net	10,754,795	19,638,792
*Inventories	14,305,754	23,984,028
Deferred charges	—	1,996,200
Prepaid expenses	1,074,083	656,641
Current Assets	$ 33,740,951	$ 48,886,963
#Fixed assets	7,666,911	10,692,208
Other assets	120,403	9,351,800
Total Assets	$ 41,528,265	$ 68,930,971

Liabilities

Notes payable	$ —	$ 3,950,000
Accts. payable	3,737,408	4,699,343
Accruals	6,694,901	4,547,100
Legal fees payable	1,875,000	1,875,000
Security deposit payable	—	5,232,000
Curr. Liabilities	$ 12,307,309	$ 20,303,443
Deferred inc. taxes	—	131,100
Legal fee	5,625,000	7,500,000
Security deposit	—	29,248,000
Long-term oblig.	331,333	—
+ Common stock	334,314	—
Add. paid-in capital	19,145,545	8,652,903
Retained earnings (deficit)	3,895,840	2,872,972
Treasury stock	(111,676)	(111,676)
Total Liabilities & Shareholders' Equity	$ 41,528,265	$ 68,930,971

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.22	4.73
%Net Income to Sales	1.17	2.96
%Net Income to Equity	2.27	16.36
Sales to Inventories	3.17	2.70
Debt to Equity	—	0.34
Working Capital	$21,433,642	$28,583,520
Current Ratio	2.74	2.41
Shareholders' Equity	$23,264,023	$11,748,428

The Telex Corporation

P.O. Box 1526
6422 E. 41st Street
Tulsa, Oklahoma 74101
(918) 627-2333

Officers: S.J. Jatras, chairman of the board, president & chief exec. officer; Ansel Kleiman, George L. Bragg, group v.p.'s; J.B. Bailey, v.p., general counsel & secretary; E.G. Frank, v.p.-finance & treasurer; Serge Novovich, asst. secretary; David E. Gannon, asst. treasurer; Bhrent Waddell, controller; Jess Mitchell, director of internal auditing.

Directors: S.J. Jatras, chairman; Robert W. Allen, George Bragg, Frank E. Cochran, Richard H. Hughes, Ansel Kleiman, Leonard R. Silver, Howard Upton, John S. Zink.

Areas of Work: Designs, manufactures, markets and services a line of peripheral products used in data processing applications as well as electronic communications and audio equipment.

Divisions and Subsidiaries:

Telex Computer Products, Inc.
6422 E. 41st Street
Tulsa, Oklahoma 74135
(918) 627-1111

Terminal Communications Division
Raleigh, North Carolina
Computer terminals, both video displays and printers, and communication controllers.

International:
Le Bonaparte—Office 711
Centre Affaires Paris—
Nord
9315 Le Blanc—Mesnil,
France

OEM/Peripheral Division
Tulsa, Oklahoma
Tape drives and tape drive subsystems for both end user and OEM markets.

Telex Service Division
Tulsa, Oklahoma
Provides maintenance for customers of all Telex computer products.

International Division
Tulsa, Oklahoma
Markets TCP products throughout the world, except the United States and Canada.

Telex Communications, Inc.
9600 Aldrich Avenues
Bloomington, Minnesota 55420
(612) 884-4051

The Telex Corporation

Products include tape recorders and players, subassemblies for automotive tape players, headphones and headsets, microphones, hearing aids, antennas, CB accessories and tape duplication equipment.

International:
Telex World Trade
115 Norwood Park South
Boston—Providence Turnpike/Route 1
Norwood, Massachusetts 02062

Hy-Gain Division
Lincoln, Nebraska

Education Systems Division
Rochester, New York

Acquisition(s):

Raytheon Data Systems Division

Transfer Agent(s):

First National Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Pacific

Ticker Symbol: TC

Number of Employees:

1985	6,580	1982	3,618
1984	4,193	1981	3,902
1983	3,929		

Sales and Earnings

	Revenues	Net Income +
1985	$ 601,599,000	$ 53,343,000
1984	325,432,000	36,114,000
1983	274,834,000	28,778,000
1982	207,715,000	11,835,000
1981	186,492,000	8,083,000

	No. of Com. Shares	Earn. per Share + #
1985	14,487,983	$ 3.65
1984	14,424,194	2.48
1983	14,407,596	2.05
1982	12,633,834	0.94
1981	12,628,334	0.64

Based on the weighted average number of common shares and common share equivalents outstanding.
+ Including extraordinary credit of $4,213,000 ($0.30 per share) in 1983.

Revenues By Line of Business

	1985	1984
Computer products	$ 520,330,000	$ 243,921,000
Communications	81,269,000	81,511,000
Total	$ 601,599,000	$ 325,432,000

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 194,514,000	$ 13.43
1984	147,208,000	10.21
1983	110,990,000	7.70
1982	61,165,000	4.84
1981	49,314,000	3.91

Income Account *
(000's)

Year ended March 31	1985	1984
Revenues	$ 601,599	$ 325,432
Cost of revenues	351,006	185,435
Expenses	111,154	60,055
Prov. for loss on inventories	15,778	7,292
Interest expense	16,500	4,738
Other charges	6,398	3,430
Income bef. taxes	$ 100,763	$ 64,482
Income taxes	47,420	28,368
Net Income	$ 53,343	$ 36,114

* Included in Cost and Expenses, Depreciation: $39,205,000 in 1985 and $13,673,000 in 1984.

Assets
(000's)

As of March 31	1985	1984
Cash & temp. invest.	$ 11,317	$ 18,362
Accts. receiv., net	116,935	58,078
Investments in sales-type leases	68,483	18,380
*Inventories	141,038	64,561
Equipment leased or held for lease or sale	49,970	29,512
#Fixed assets	58,169	28,475
Other assets	17,825	16,689
Total Assets	$ 463,737	$ 234,057

Liabilities
(000's)

Short-term borrowing	$ 14,927	$ —
Accts. payable	24,659	16,696
Accruals	58,513	22,857
Income taxes	925	6,101
Oblig. under cap-lease	79,752	—
Long-term debt	71,703	28,842
Deferred inc. taxes	18,744	12,353
+ Common stock	14,488	14,424
Add. paid-in capital	39,384	39,058
For. curr. trans.	(6,427)	—
Retained earnings	147,069	93,726
Total Liabilities & Shareholders' Equity	$ 463,737	$ 234,057

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income before Taxes to Revenues	16.75	19.81
%Net Income to Revenues	8.87	11.10
%Net Income to Equity	27.42	24.53
Shareholders' Equity	$194,514,000	$147,208,000

Telxon Corporation

3330 West Market Street
Akron, Ohio 44313
(216) 867-3700

Officers: Robert F. Meyerson, chairman; Raymond D. Meyo, president & chief exec. officer; John W. Shumar, exec. v.p.; Eugene A. Novak, v.p. & chief financial officer; Steven L. Galvanoni, v.p.-North American sales; Ronald D. Bufton, v.p.-operations; Gary J. Sniadak, v.p.-field service.

Directors: Robert F. Meyerson, chairman; Raymond D. Meyo, Theodore Schlissel, Dan R. [illegible]

Areas of Work: Designs, manufactures, markets and services hand-held, portable, interactive microcomputer systems.

Subsidiaries:

Telxon Europe B.V.
2153 GB Nieuw-Vennep
The Netherlands

Telxon mde GmbH
Guterbergring 1-5
2000 Norderstedt
Hamburg, Germany

Telxon Limited
Old Orchard High Street
Poole, Dorset BH151AE
United Kingdom

Telxon Data Systems AG
P.O. Box 358
6301 ZUG
Switzerland

Telxon Canada Corporation, Inc.
2651 John Street, Unit 6
Markham, Ontario L3R 2W5
Canada

Telxon Australia Pty. Limited
Unit 3, 190 George Street
Parramatta N.S.W. 2150
Australia

Telxon France S.A.
Edifice Atlas
Avenue De La Baltique
91940 Les Ulis
France

Micro Office Systems Technology, Inc.
35 Kings Highway
East Fairfield, Connecticut 06430

Transfer Agent(s):

AmeriTrust Company N.A.
900 Euclid Avenue
P.O. Box 6477
Cleveland, Ohio 44101

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TLXN (NASDAQ)

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 64,019,000	$ 669,000
1984	41,493,000	234,000
1983	32,582,000	(597,000)
1982	27,330,000	(905,000)
1981	21,803,000	(884,000)

	No. of Com. Shares ‡	Earn. per Share †‡
1985	7,471,149	$ 0.67
1984	6,777,631	0.44
1983	5,773,662	0.38
1982	5,500,350	0.34
1981	4,283,811	0.41

(Loss)
† Including extraordinary gains of $114,000 ($0.02 per share) in 1985, $39,000 ($0.01 per share) in 1984 and $384,000 ($0.07 per share) in 1983.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Product sales	$ 55,315,000	$ 34,750,000
Field service	8,704,000	6,743,000
Total	$ 64,019,000	$ 41,493,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.007	—	—
1984	0.007	—	—
1983	0.001	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 28,928,000	$ 3.87
1984	23,575,000	3.48
1983	8,939,000	1.55
1982	6,721,000	1.22
1981	3,348,000	0.78

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Mar. 31	1985	1984
Revenues	$ 64,019	$ 41,493
Cost of sales & serv.	33,873	22,132
Expenses	22,128	14,722
Interest income	842	502
Interest expense	173	268

	1985	1984
Income before taxes	$ 8,687	$ 4,873
Income taxes	3,817	1,932
Net Income	$ 4,870	$ 2,941
Extraord. gain	114	39
Net Income & extraord. gain	$ 4,984	$ 2,980

* Included in Costs and Expenses, Depreciation and Amortization. $1,414,000 in 1985 and $855,000 in 1984.

Assets
(000's)

As of Mar. 31	1985	1984
Cash	$ 7,814	$ 5,963
Accts. receiv., net	17,532	12,440
Other receivables	492	342
*Inventories	11,472	10,401
Prepaid expenses	293	154
Current Assets	$ 37,603	$ 29,300
#Fixed assets	6,115	2,506
Other assets	248	75
Deferred inc. taxes	—	6
Intangibles	136	278
Total Assets	$ 44,102	$ 32,165

Liabilities
(000's)

	1985	1984
Notes payable	$ 2,831	$ 869
Cap. lease oblig., curr	91	—
Accts. payable	6,122	3,856
Accrued payroll	1,888	1,301
Accrued sales	1,231	1,050
Income taxes	731	868
Deferred inc. taxes	7	104
Other accruals	1,554	542
Curr. Liabilities	$ 14,455	$ 8,590
Cap. lease oblig.	356	—
Deferred inc. taxes	363	—
+Common stock	71	70
Add. paid-in capital	19,396	19,134
Retained earnings	9,421	4,484
For. curr. trans. adjust	40	82
Emp. stock notes	—	(195)
Total Liabilities & Shareholders' Equity	$ 44,102	$ 32,165

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Revenues	13.57	11.74
%Net Income to Revenues	7.61	7.09
%Net Income to Equity	16.27	12.48
Working Capital	$23,148,000	$20,710,000
Current Ratio	2.60	3.41
Shareholders' Equity	$29,928,000	$23,575,000

Tenney Engineering, Inc.

1090 Springfield Road
Union, New Jersey 07083
(201) 686-7870

Officers: Saul S. Schiffman, chairman of the board; Robert S. Schiffman, president & chief exec. officer; Seymour B. Sternbach, exec. v.p., Walter Gottesman, v.p. & secretary; Frank H. Gardner, Martin S. Schletter, G. Kenneth Sneden, v.p.'s; Frank C. Gosztyla, treasurer.

Directors: Saul S. Schiffman, Robert H. Brown, Walter Gottesman, Robert S. Schiffman, David C. Schiffman, Seymour B. Sternbach, Stanley Siegel.

Areas of Work: Engineers and manufactures high technology environmental test equipment.

Subsidiaries:

TNY Corporation
Tenney Environmental Products, Inc.
Tenney Foreign Sales Corporation (FSC)

Westenn Sales, Inc.
Englewood, Colorado

Precision Circuits, Inc.
Eatontown, New Jersey
Manufactures sophisticated custom printed circuit boards used in a wide variety of electronic equipment.

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: TNY

Number of Employees:

1985 350

Plant Footage:

1985 141,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 23,211,965	$ 1,148,476
1984	22,055,838	1,370,367
1983	19,018,336	782,823
1982	17,931,006	669,685
1981	15,157,037	855,182

	No. of Com. Shares #	Earn. per Share #
1985	3,490,225	$ 0.33
1984	3,481,882	0.39
1983	3,480,366	0.22
1982	3,478,274	0.19
1981	3,478,274	0.25

Based on the average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	5-for-4
1983	—	—	5-for-4
1982	—	—	4-for-3
1981	—	—	4-for-3

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 8,181,052	$ 2.34
1984	6,956,139	2.00
1983	5,611,948	1.61
1982	4,821,760	1.39
1981	4,154,446	1.19

‡ Based on the average number of common shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 23,211,965	$ 22,055,838
Cost of sales	15,637,555	14,729,722
Expenses	5,935,086	5,510,590
Other income	(324,352)	(398,541)
Income before taxes	$ 1,963,676	$ 2,214,067
Income taxes	815,200	843,700
Net Income	$ 1,148,476	$ 1,370,367

* Included in Costs and Expenses, Depreciation: $518,756 in 1985 and $379,105 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 2,290,433	$ 3,108,591
Accts. receiv., net	5,746,761	5,213,111
*Inventories	3,522,622	3,081,191
Income tax receiv.	427,714	341,114
Prepaid expenses	281,270	206,410
Current Assets	$ 12,268,800	$ 11,950,417
#Fixed assets	4,561,024	3,411,714
Other assets	380,231	144,560
Goodwill	588,842	610,385
Total Assets	$ 17,798,897	$ 16,117,076

Liabilities

	1985	1984
Long-term debt, curr	$ 281,300	$ 278,600
Accts. pay. & accruals	3,170,299	2,643,141
Accrued payroll	584,355	664,009
Deferred inc. tax	518,400	363,800
Curr. Liabilities	$ 4,554,354	$ 3,949,550
Long-term debt	4,635,891	4,916,787
Deferred inc. taxes	427,600	294,600
+Common stock	353,848	348,442
Add. paid-in capital	1,680,372	1,515,585
Retained earnings	6,276,635	5,128,159
Treasury stock	(129,803)	(36,047)
Total Liabilities & Shareholders' Equity	$ 17,798,897	$ 16,117,076

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	8.46	10.04
%Net Income to Sales	4.95	6.21
%Net Income to Equity	14.04	19.70
Sales to Inventories	6.59	7.16
Debt to Equity	0.60	0.75
Working Capital	$7,714,446	$8,000,867
Current Ratio	2.69	3.03
Shareholders' Equity	$8,181,052	$6,956,139

Teradyne, Inc.

321 Harrison Avenue
Boston, Massachusetts 02118
(617) 482-2700

Officers: Alexander V. d'Arbeloff, chairman of the board & president; G. Russell Ashdown, v.p.-Telecommunications Division; George W. Chamillard, v.p.-Teradyne Connection Systems; George V. d'Arbeloff, v.p.-Industrial/Consumer Division; Joseph B. Lassiter, III, v.p.-Manufacturing Systems Division; Dennis P. O'Connell, v.p.; James A. Prestridge, v.p.-Component Test Group; Owen W. Robbins, v.p.-finance; Frederick T. Van Veen, v.p.-corporate relations; Loren G. Eaton, v.p.-personnel; Windsor H. Hunter, v.p.; Lennart B. Johnson, v.p.-Teradyne Connection Systems; Thomas B. Newman, Jr., v.p.-ATE customer service; Stuart M. Osattin, treasurer; Edward Rogas, Jr., v.p.-Semiconductor Test Division; John P. McCabe, controller; Richard J. Testa, clerk.

Directors: Alexander V. d'Arbeloff, Henry M. Watts, Jr., Franklin P. Johnson, Jr., Daniel S. Gregory, Walter L. Lingle, Jr., John H. McArthur, Richard J. Testa, Dwight H. Hibbard, John P. Mulroney.

Areas of Work: Engaged in the design and manufacture of automatic and computer-operated instruments for testing semiconductors, electronic components, assemblies, certain types of printed circuit boards and networks; computer-operated laser-trimming systems for manufacturing hybrid circuits and film resistors; wire-wrap connectors and wire-wrapping service; and other electronic items. Also produces telephone line test systems, film resistors and wire-wrap connectors and backplane connection systems.

Divisions:

Semiconductor Test Division
Woodland Hills, California

Manufacturing Systems Division
Boston, Massachusetts

Industrial-Consumer Division
Boston, Massachusetts

Teradyne, Inc.

Teradyne Connection Systems
Nashua, New Hampshire

Automatic Test Equipment
Boston, Massachusetts

Semiconductor Test Division
Woodland Hills, California
Agoura Hills, California
Telecommunications Division
Deerfield, Illinois

Subsidiaries:

Teradyne S.A.
11 bis. Rue Roquepine
Paris VIII, France

Teradyne Holdings Limited
England
  Teradyne Limited
  Mark Instruments Limited

Teradyne Benelux, Inc.
Teradyne Hong Kong, Ltd.
Teradyne International, Inc.
Teradyne Japan, Ltd.
Teradyne Canada Limited
Teradyne Italia S.r.l.
Teradyne GmbH
Teradyne K.K.
Teradyne Korea, Ltd.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York

Ticker Symbol: TER

Number of Employees:

1985	4,300	1982	3,200
1984	5,000	1981	3,050
1983	3,900		

Plant Footage:

1985	1,118,000 sq. ft.	1982	1,054,000
1984	1,118,000	1981	1,078,000
1983	1,278,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 336,368,000	$ 20,159,000
1984	389,278,000	43,154,000
1983	251,422,000	21,382,000
1982	176,305,000	4,298,000
1981	159,942,000	4,267,000

	No. of Com. Shares +	Earn. per Share ‡
1985	22,752,530	$ 0.87
1984	22,283,281	1.87
1983	21,716,448	1.08
1982	17,253,224	0.24
1981	16,622,616	0.25

+ Adjusted to reflect stock splits.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	2-for-1
1982	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 253,513,000	$ 11.14
1984	226,548,000	10.17
1983	176,460,000	8.13
1982	98,229,000	5.69
1981	90,541,000	5.44

‡ Adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 336,368	$ 389,278
Cost of sales	188,528	193,724
Expenses	128,694	123,554
Interest expense	1,717	5,163
Gain on sale of bldg.	(10,083)	—
Income before taxes	$ 27,512	$ 66,837
Income taxes	7,353	23,683
Net Income	$ 20,159	$ 43,154

* Included in Costs and Expenses, Depreciation: $23,867,000 in 1985 and $18,190,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 24,769	$ 804
Accts. receiv., net	65,725	103,163
*Inventories	54,549	83,479
Fed. & state inc. taxes	2,984	—
Prepaid expenses	8,441	3,001
Current Assets	$ 156,468	$ 190,447
#Fixed assets	161,474	154,521
Defer. charges & other assets	8,808	5,471
Total Assets	$ 326,750	$ 350,439

Liabilities
(000's)

Notes payable	$ 6,993	$ 6,091
Mortg. note, curr.	34	422
Accts. payable	6,900	12,676
Accruals	15,374	17,840
Accrued payroll	10,234	12,010
Income taxes	2,920	4,378
Curr. Liabilities	$ 42,455	$ 53,417
Long-term note	12,554	55,852
Deferred inc. taxes	18,228	14,622
+Common stock	2,844	2,785
Add. paid-in capital	112,228	105,481
Retained earnings	138,441	118,282
Total Liabilities & Shareholders' Equity	$ 326,750	$ 350,439

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.125 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.18	17.17
%Net Income to Sales	5.99	11.09
%Net Income to Equity	7.95	19.05
Sales to Inventories	6.17	4.66
Debt to Equity	0.08	0.27
Working Capital	$114,013,000	$137,030,000
Current Ratio	3.69	3.57
Shareholders' Equity	$253,513,000	$226,548,000

Terminal Data Corporation

21221 Oxnard Street
Woodland Hills, California 91367
(818) 887-4900

Officers: Michael Rothbart, chairman of the board & chief executive officer; James R. Schwartz, president & chief operating officer; Herman W. Pass, sr. v.p.-corporate strategic planning; Samuel L. Greene, v.p.-marketing; Sharon K. Franzen, v.p. & adm. secretary; Stephen D. Shelton, v.p.-finance & treasurer; Ronald A. Ockander, v.p.-marketing; G. Oppenheimer, v.p.-engineering; Robert J. Snyder, v.p.-operations; Kathryn A. Price, asst. secretary & counsel.

Directors: Michael Rothbart, chairman; M.H. Jacobs, Paul G. McNamara, Charles A. Roberts.

Areas of Work: Designs and manufactures components for electronic document image management systems including high resolution video terminals and automatic and manual high speed document digitizers. Designs and manufactures microfilm systems and microfiche duplicating equipment.

Subsidiaries:

TDC Properties Corp.
21221 Oxnard Street
Woodland Hills, California 91367
(818) 887-4900

Terminal Data Service Corporation
21221 Oxnard Street
Woodland Hills, California 91367

Transfer Agent(s):

U.S. Stock Transfer Corporation
1745 Gardena Avenue
Glendale, California 91204

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TERM (NASDAQ)

Number of Employees:

1985	430	1982	410
1984	613	1981	310
1983	522		

Plant Footage:

1985	190,000 sq. ft.	1982	165,000
1984	190,000	1981	130,000
1983	163,000		

Sales and Earnings

—	Net Sales	Net Income
1985	$ 34,848,000	$ (2,642,000)
1984	45,627,000	3,096,000
1983	30,254,000	1,993,000
1982	26,113,347	2,273,604
1981	23,289,186	1,299,349

	No. of Com. Shares ‡	Earn. Per Share ‡
1985	4,474,000	$ —
1984	4,555,000	0.68
1983	4,551,000	0.44
1982	4,106,000	0.55
1981	3,314,000	0.39

(Loss)
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	10%	—
1984	—	25%	—
1983	—	25%	—
1982	—	50%	—
1981	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 18,495,000	$ 4.13
1984	21,076,000	4.63
1983	17,711,000	3.89
1982	15,260,611	3.72
1981	7,018,128	2.12

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 34,848,000	$ 45,627,000
Cost of sales	30,750,000	32,490,000
Expenses	8,956,000	8,097,000

Oper. profit (loss)	$ (4,858,000)	$ 5,040,000
Interest expense	879,000	617,000
Interest income	(22,000)	(79,000)
Other expense (income)	474,000	28,000
Income before taxes	$ (6,189,000)	$ 4,474,000
Income taxes	(3,547,000)	1,378,000
Net Income	$ (2,642,000)	$ 3,096,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,068,000 in 1985 and $684,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 498,000	$ 458,000
Receiv., net	7,657,000	8,926,000
Refund. inc. taxes	3,467,000	—
*Inventories	13,252,000	16,628,000
Prepaid expenses	241,000	398,000
Current Assets	$ 25,115,000	$ 26,410,000
#Fixed assets	8,431,000	9,313,000
Prop. held for sale	16,865,000	558,000
Other assets	1,171,000	657,000
Total Assets	$ 51,582,000	$ 36,938,000

Liabilities

Notes payable	$ 5,700,000	$ 2,700,000
Long-term debt, curr.	646,000	288,000
Accts. payable	3,770,000	3,885,000
Accruals	2,870,000	2,745,000
Inc. taxes payable	—	679,000
Curr. Liabilities	$ 12,986,000	$ 10,297,000
Long-term debt	19,441,000	4,602,000
Deferred inc. taxes	660,000	963,000
+ Common stock	4,482,000	4,058,000
Add. paid-in capital	14,146,000	10,649,000
Retained earn. (deficit)	(133,000)	6,369,000
Total Liabilities & Shareholders' Equity	$ 51,582,000	$ 36,938,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	9.81
%Net Income to Sales	—	6.79
%Net Income to Equity	—	14.69
Sales to Inventories	2.63	2.74
Debt to Equity	1.39	0.36
Working Capital	$12,129,000	$16,113,000
Current Ratio	1.93	2.56
Shareholders' Equity	$18,495,000	$21,076,000

Texas Instruments Incorporated

P.O. Box 225474
13500 North Central Expressway
Dallas, Texas 75265
(214) 995-4855

Officers: Mark Shepherd, Jr., chairman of the board; Jerry R. Junkins, president & chief executive officer; Grant A. Dove, William I. George, William N. Sick, Jr., William P. Weber, executive v.p.'s; George H. Heilmeier, sr. v.p. & chief technical officer; Richard J. Agnich, v.p., secretary & general counsel; William A. Aylesworth, v.p., treasurer & chief financial officer; Peter A. Field, v.p.-corp. marketing; Ronald F. Keener, v.p.-licensing; Marvin M. Lane, Jr., v.p. & corporate controller; David D. Martin, v.p. & president-Materials & Controls Group; Dolan K. McDaniel, v.p. & president-Geophysical Service, Inc.; William B. Mitchell, v.p. & president-Defense Systems & Electronics Group; Walden C. Rhines, v.p. & president-Data Systems Group; Liston M. Rice, Jr., v.p.-corp. communications/marketing; William E. Wetsel, v.p.-corporate personnel; Joseph D. Zimmerman, v.p.-corporate services; Clara C. O'Donnell, asst. secretary.

Directors: Mark Shepherd, Jr., chairman of the board; Jerry R. Junkins, S.T. Harris, Douglass C. Harvey, Edward R. Kane, Paul F. Lorenz, C.J. Thomsen, John C. Toomay, James M. Voss, Howard Bell, David C. Garret, Jr., William P. Weber, Bernard M. Fauber, David M. Roderick, William N. Sick, Jr.

Areas of Work: Semiconductor materials, multilayer circuit boards, integrated circuits, small, medium, and large scale arrays (MOS and Bipolar); microprocessors & microcomputors, transistors, rectifiers; digital seismic equipment, radar systems, electro-optic systems, ordnance hardware, classified electronics equipment; business, consumer and scientific calculators; electronic learning aids, opto-electronic devices; electronic and electro-mechanical parts and assemblies, safety and control devices; clad metals; digital computers and computer systems, electronic data terminals and printers, strip chart recorders, precision pressure instrumentation.

Subsidiaries:

Geophysical Service Incorporated
Geophysical Service International S.A. (Panama)
Texas Instruments Asia Limited
Texas Instruments Deutschland G.m.b.H.
Texas Instrumentos Eletronicos do Brasil Limitada
Texas Instruments Equipamento Electronico (Portugal) Lda
Texas Instruments France
Texas Instruments Holland B.V.
Texas Instruments Italia S.p.A.
Texas Instruments Japan Limited
Texas Instruments Limited (U.K.)
Texas Instruments Malaysia Sdn. Bhd.
Texas Instruments Singapore (Pte) Limited
Texas Instruments Taiwan Limited

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

RepublicBank Dallas, N.A.
P.O. Box 2964
Dallas, Texas 75221

Stock Exchange(s): New York

Ticker Symbol: TXN

Number of Employees:

1985	77,872	1982	80,007
1984	86,563	1981	83,714
1983	80,696		

Plant Footage:

1985	24,802,752 sq.ft.	1982	22,100,000
1984	24,448,595	1981	20,800,000
1983	22,555,133		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 4,924,500	$ (118,700)
1984	5,741,600	316,000
1983	4,579,800	(145,400)
1982	4,326,600	144,000
1981	4,026,000	108,500

	No. of Com. Shares ‡	Earn. per Share ‡
1985	24,948,000	$ —
1984	24,210,000	13.05
1983	23,862,000	—
1982	23,609,000	6.10
1981	23,483,000	4.62

(Loss)
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.00	—	—
1984	2.00	—	—
1983	2.00	—	—
1982	2.00	—	—
1981	2.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share ‡
1985	$ 1,427,700	$ 57.23
1984	1,540,500	63.63
1983	1,202,700	50.40
1982	1,360,800	57.64
1981	1,260,100	53.66

‡ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 4,924,500	$ 5,741,600
Cost of sales	4,071,200	4,189,600
Expenses	816,900	858,100
Retirement & prof. sh. plan	64,200	168,100
Oper. profit (loss)	$ (27,800)	$ 525,800
Prov. for plant closing	63,800	—
Other income	(17,000)	(9,600)
Total	$ (74,600)	$ 535,400
Interest expense	40,400	48,900
Income (loss) before taxes	$ (115,000)	$ 486,500
Income taxes	3,700	170,500
Net Income (Loss)	$ (118,700)	$ 316,000

* Included in Costs and Expenses, Depreciation: $515,900,000 in 1985 and $422,600,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term invest.	$ 158,800	$ 274,400
Accts. receiv., net	620,100	793,700
*Inventories	447,700	489,200
Prepaid expenses	304,100	301,100
Current Assets	$ 1,530,700	$ 1,858,400
#Fixed assets	1,450,000	1,481,100
Other assets & defer. charges	95,400	83,900
Total Assets	$ 3,076,100	$ 3,423,400

Liabilities
(000's)

Loans payable & long term debt, curr.	$ 29,600	$ 46,300
Accts. payable & accruals	1,024,700	1,122,600
Accrued retire. & prof. sh. plan	5,300	96,000
Dividends payable	12,600	12,300
Income taxes	56,700	135,000
Curr. Liabilities	$ 1,128,900	$ 1,412,200
Long-term debt	381,900	380,700
Deferred credits & other liab.	137,600	90,000
+ Common stock	25,300	24,700
Add. paid-in capital	342,500	287,100
Retained earnings	1,072,500	1,241,300
Treasury stock	(12,600)	(12,600)
Total Liabilities & Shareholders' Equity	$ 3,076,100	$ 3,423,400

* At lower of cost, current replacement cost, or est. realizable value.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	8.47
%Net Income to Sales	—	5.50
%Net Income to Equity	—	20.51
Sales to Inventories	11.00	11.74
Debt to Equity	0.29	0.28
Working Capital	$ 401,800,000	$ 446,200,000
Current Ratio	1.36	1.32
Shareholders' Equity	$1,427,700,000	$1,540,500,000

Texscan Corporation

3102 N. 29th Avenue
Phoenix, Arizona 85017
(602) 252-5021

Officers: Carl N. Pehlke, chairman of the board; James A. Luksch, president; Norman L. Glew, v.p.-European Operations; Daniel F. Litterski, Thomas W. Swafford, Edgardo Carballo, Raleigh B. Stelle, III, Norman A. Westcott, William P. Dawson, Berthold L. Henscheid, Robert J. Pallé, Robert E. Daniels, David W. Keller, v.p.'s; Steven R. McGill, treasurer; J. Michael Frost, v.p. & asst. secretary.

Directors: Carl N. Pehlke, chairman; James A. Luksch, Daniel F. Litterski, William E. Croysdale, Keith E. Hodgin.

Areas of Work: Designs, manufactures and markets a broad line of CATV distribution and testing equipment which is sold under the Theta-Com trademark, and CATV character generation equipment which is sold under the MSI trade name. CATV distribution equipment includes trunk amplifiers, line extenders, passives, power supplies and subscriber taps. CATV character generation equipment is used primarily in weather reporting, news and other textual displays. Also designs, manufactures and markets multipoint distribution system ("MDS") down converters under the Theta-Com trademark. The principal purchasers of the Company's products are operators of CATV systems. In addition, the Company designs and manufactures RF testing equipment, including spectrum analyzers, sweep signal generators, oscilloscopes, microwave filters, and coaxial components for laboratory, communications and industrial uses under the Texscan trademark. Designs, manufactures and markets nonaddressable converters. Designs and manufactures standby power supplies for CATV systems.

Divisions and Subsidiaries:

Texscan Instruments
3169 North Shadeland Avenue
Indianapolis, Indiana 46226
(317) 545-4196

Texscan MSI Compuvid
3855 South 500 West
Suite S
Salt Lake City, Utah 84115
(801) 262-8475

Texscan Theta-Com CATV
2960 Grand Avenue
Phoenix, Arizona 85017
(602) 252-5021

Texscan El Paso Division
1440 Goodyear Drive
El Paso, Texas 79936
(915) 594-3555

Texscan Communicaciones Banda Grande
S.A. de C.V.
Parque Ind. A.J. Bermudez
Apdo. Postal 1747 Suc "D"
Ciudad, Juarez, Chihuahua, Mexico

Texcan GmbH
Peschelanger II
D-8000 Munchen 83
Munich, West Germany

Texscan Instruments Limited
One Northbridge Road
Berkhamsted, Hertfordshire
England

Texscan de Mexico
Melguiades Alanis
Fray Juan de Zumarraga
Ciudad Juarez, Chihuahua
Mexico

Societe Texscan S.A.
7, Rue Du Chemin Vert
94100 Saint Maur, France

Texscan Instruments Limited
Watermeadow, Germain Street
Chesham, Bucks HP5 1LF
England, United Kingdom

Transfer Agent(s):

American National Bank & Trust Co. of Chicago
LaSalle at Washington
Chicago, Illinois 60690

Stock Exchange(s): American

Ticker Symbol: TXS

Number of Employees:

1984	N.A.	1982	978
1983	N.A.	1981	900

Plant Footage:

1984	N.A.	1982	174,900 sq. ft.
1983	N.A.	1981	148,000

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1984	$ 84,859,336	$ 4,795,178
1983	54,665,454	5,697,600
1982	40,495,723	4,012,000
1981	27,654,154	1,962,000
1980	16,095,910	766,000

	No. of Com. Shares +	Earn. per Share +
1984	6,879,907	$ 0.70
1983	6,385,108	0.89
1982	5,934,583	0.68
1981	4,335,728	0.45
1980	3,212,795	0.24

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	—
1982	—	—	5-for-4
1981	—	—	2-for-1 & 6-for-5
1980	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1984	$ 51,747,604	$ 7.52
1983	40,013,792	6.27
1982	32,313,879	5.45
1981	15,959,055	3.68
1980	4,215,000	1.31

† Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividend and stock splits.

Income Account *

Year ended April 30	1984	1983
Net sales	$ 84,859,336	$ 54,665,454
Cost of sales	56,655,904	34,344,329
Expenses	19,334,303	12,343,611
Interest expense	3,382,217	166,421
Interest income	(1,432,266)	(1,236,458)
Income before taxes	$ 6,919,178	$ 9,047,551
Income taxes	2,124,000	3,350,000
Net Income	$ 4,795,178	$ 5,697,551

* Included in Costs and Expenses, Depreciation and Amortization: $2,738,513 in 1984 and $828,847 in 1983.

Assets

As of April 30	1984	1983
Cash	$ 371,951	$ 1,024,698
Market. securities	4,410,527	4,683,562
Receiv., net	28,548,612	16,196,378
*Inventories	46,457,395	16,873,943
Prepaid expenses	998,319	593,558
Current Assets	$ 80,786,804	$ 39,372,139
#Fixed assets	24,015,105	9,529,128
Other assets	11,780,327	2,781,676
Total Assets	$ 116,582,236	$ 51,682,943

Liabilities

Accts. payable	$ 14,249,369	$ 7,891,828
Accruals	593,876	348,620
Accrued payroll	1,624,433	955,851
Inc. taxes payable	—	598,878
Accrued interest	1,328,900	—
Taxes	918,682	684,721
Warranty reserve	887,367	12,500
Curr. Liabilities	$ 19,602,627	$ 10,492,398
Long-term debt	44,643,406	796,439
Deferred inc. taxes	588,599	380,314
+Common stock	35,530,017	27,762,113
Notes receivable	(2,441,254)	(1,037,200)
Add. paid-in capital	1,731,370	1,156,586
Retained earnings	16,986,151	12,190,973
Treasury stock	(58,680)	(58,680)
Total Liabilities & Shareholders' Equity	$ 116,582,236	$ 51,682,943

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.15	16.55
%Net Income to Sales	5.65	10.42
%Net Income to Equity	9.27	14.24
Sales to Inventories	1.83	3.24
Working Capital	$61,184,177	$28,879,741
Current Ratio	4.12	3.75
Shareholders' Equity	$51,747,604	$40,013,792

Textron Inc.

40 Westminster Street
Providence, Rhode Island 02903
(401) 421-2800

Officers: Robert P. Straetz, chairman of the board; B.F. Dolan, president & chief executive officer; William J. Ledbetter, senior exec. v.p.-administration & planning; Charles F. Chapin, Louis S. Bishop, George H. Hartmann, Edmund V. Marshall, Quentin G. Achuft, Glenn K. Currie, John J. Mahoney, group v.p.'s; Edward O. Handy, Jr., v.p.-employee benefits; Thomas D. Soutter, executive v.p. & general counsel; Willard R. Gallagher, v.p.-intl.; William P. Janovitz, v.p. & controller; Maurice G. Wilkins, Jr., sr. v.p.-Finance & Investment; Rita Powers, v.p. & secretary; Raymond W. Caine, Jr., v.p-corporate communications; Edward P. Fitzgerald, v.p.-taxes; John L. Morse, v.p.-risk management/insurance; Richard A. Watson, v.p.-investment; Dennis G. Little, exec. v.p. & chief financial officer; Robert P. Bauman, vice chairman; Gordon M. Tuttle, senior v.p. & vice chairman-Avco; William F. Wayland, sr. v.p.-Human Resources; Gary E. Atwell, v.p.-Operations Analysis & Control; Charles Y. Brush, v.p.-Insurance Investments; Robert B. Clendenen, v.p.-International Audit; John J. Delucca, v.p. & treasurer; William D. Gaillard, Arnold M. Friedman, v.p.'s & deputy general counsels; William A. Anders, sr. exec. v.p.-Textron Operations; Donald K. Farrar, sr. exec. v.p. & president-Avco Operations; Norton C. Willcox, group v.p.-Aerospace & chairman-Bell Aerospace.

Directors: Dante C. Fabiani, James R. Martin, Sam F. Segnar, Paul M. Fye, Robert P. Straetz, Clarence H. Gifford, Jr., Webb C. Hayes, III, R. Heath Larry, Barbara Scott Preiskel, Jean Head Sisco, Howard R. Swearer, B.F. Dolan, John J. Schmidt, J. Paul Sticht, Robert P. Bauman, Daniel B. Burke, Joseph R. Carter, R. Stuart Dickson, William M. Ellinghaus, Donald K. Farrar, Amos A. Jordan Jr.

Areas of Work: Manufactures many products in the aerospace, consumer, industrial, investment and metal products fields.

Divisions:

Avco Group

Avco Corporation
1275 King Street
Greenwich, Ct. 06830

Avco has operations in four major areas: financial services, propulsion systems, aerospace technology and management services.

Aerospace & Electronics Group

Bell Aerospace Textron
P.O. Box One
Buffalo, New York 14240

Rocket engines, communications and air cushion systems, aircraft landing systems, missile and spacecraft propulsion systems, rocket propellant tanks, inertial navigation instruments, gravity sensing systems, air cushion vehicles and surface effect ships.

Bell Helicopter Textron, Inc.
P.O. Box 482
Fort Worth, Texas 76101

Military and commercial helicopters and vertical lift aircraft, systems integration, spare parts.

HR Textron Inc.
25200 West Rye Canyon Road
Valencia, California 91355

System studies and analyses, flight control actuators, servovalve controls, cryogenic coolers, filters, automatic test equipment and product support.

Basic Microelectronics
P.O. Box 12335
Lake Park, Florida 33403

Produces photomask substrates and other products for semiconductor industry which require thin film coatings.

Industrial Products Group

CWC Castings
Henry Street
Muskegon, Michigan 49441

Iron castings for engine blocks, camshafts, cylinder heads, gears, manifolds, housings, transmission cases and other ferrous casting applications.

Spencer Kellogg
120 Delaware Avenue
Buffalo, New York 14202

Specialty resins and oils, raw materials for paint and coatings, adhesives, printing inks and electrical products.

Sprague Meter
35 South Avenue
Bridgeport, Connecticut 06601

Gas meters and pressure regulators, pipe-line repair and service fittings for gas, water and industrial markets.

Randall
P.O. Box 46334
Cincinnati, Ohio 45246

Manufactures metal and plastic parts and trim used in the automotive and appliance industries.

Specialty Consumer Group

Gorham
333 Adelaide Avenue
Providence, Rhode Island 02907

Sterling silver, silver-plated, pewter and stainless steel flatware; and holloware, giftware, jewelry, bronze memorials, fine crystal and china.

Sheaffer Eaton
75 So. Church Street
Pittsfield, Massachusetts 01201

Writing instruments, desk sets, social stationery, personal record and appointment books, typewriter paper, correction fluid and tapes, report folders.

Shuron
P.O. Box 331
Rochester, New York 14601

Eyeglass frames, lenses.

Speidel
70 Ship Street
Providence, Rhode Island 02903

Watchbands, identification bracelets, digital watches, jewelry, men's toiletries.

Valentine Sands
210 Albert Road
South Melbourne 3205
Victoria, Australia

Greeting cards, games and toys, security and color printing, business forms, books and magazines, computer and phototypesetting services.

Engineered Fasteners Group

Camcar
600 18th Avenue
Rockford, Illinois 61101

Cold-formed metal parts, proprietary and special fasteners for aerospace, automotive, railroad, and appliance industries.

Cherry
1224 East Warner Avenue
Santa Ana, California 92707

Proprietary fastening systems for aerospace and commercial applications, lock nut products and installation tools.

Townsend
P.O. Box 370
Beaver Falls, Pennsylvania 15010

Special fasteners and cold-formed metal parts for aerospace, automotive, railroad, metal working, industrial construction industries; fastening systems; installation tools and automatic fastening machines; saw chains and accessories.

Bostitch
South County Trail
East Greenwich, Rhode Island 02818

Staplers and staples, pneumatic wire stitchers and strappers.

Venture Capital and Financing Group

American Research and Development
45 Milk Street
Boston, Massachusetts 02109

Investments in new and developing enterprises stressing advanced products and proprietary ideas, including environmental sciences, medical and health sciences, computer-related businesses and innovative advanced technological products.

Textron Financial Corporation
40 Westminster St.
Providence, Rhode Island 02903

Financing and leasing programs to Textron Divisions to facilitate sale of their products.

Outdoor Products Group

Homelite
14401 Carowinds Boulevard
P.O. Box 7047
Charlotte, North Carolina 28217

Chain saws, string trimmers, generators, pumps.

Jacobsen Turf
1721 Packard Avenue
Racine, Wisconsin 53403

Lawn mowers, snow throwers, lawn and garden tractors; commercial turf maintenance equipment.

E-Z-Go
P.O. Box 388
Augusta, Georgia 30913

Produces gas and electric gulf cars and utility vehicles.

Machine Tool & Precision Bearing Group

Fafnir Bearing
P.O. Box 2350
New Britain, Connecticut 06050

Precision ball, roller and fabric lined bearings for industrial, aerospace and farm equipment fields.

Bridgeport Machines
P.O. Box 32
Bridgeport, Connecticut 06601

Vertical and horizontal milling machines, grinders. Manual and computerized control systems, numerical control systems, vertical machining centers, measuring equipment and automatic assembly machines.

Transfer Agent(s):
Morgan Guaranty Trust Company of New York
30 West Broadway
New York, N. Y. 10015

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TXT

Number of Employees:

1984	43,000	1981	49,000
1983	41,000	1980	61,000
1982	41,000		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1984	$ 3,221,100	$ 113,500
1983	2,979,800	88,700
1982	2,936,000	84,400
1981	3,328,000	151,800
1980	3,338,300	86,100

	No.of Com. Shares	Earn. per Share #
1984	36,469,000	$ 3.11
1983	36,989,000	2.40
1982	36,754,000	2.30
1981	37,415,000	4.06
1980	37,474,000	2.30

+ Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues by Line of Business

	1984 (000's)	%	1983 (000's)	%
Aerospace & electric	$1,113,000	35%	$1,112,000	37%
Outdoor prod.	366,000	11	372,000	13
Specialty consumer	423,000	13	418,000	14
Machine tool & precision bearing	445,000	14	364,000	12
Engineering fasteners	510,000	16	415,000	14
Industrial prods.	364,000	11	299,000	10
Total	$3,221,000	100%	$2,980,000	100%

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	$1.80	—	—
1983	1.80	—	—
1982	1.80	—	—
1981	1.80	—	—
1980	1.80	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1984	$1,131,540,000	$ 34.46
1983	1,132,050,000	33.09
1982	1,102,560,000	32.57
1981	1,089,830,000	32.40
1980	989,780,000	29.71

‡ After allowing for preferred stock at redemption values.

Income Account *
(000's)

Year ended	12/29/84	12/31/83
Net sales	$ 3,221,100	$ 2,979,800
Cost of sales	2,505,100	2,346,300
Expenses	515,500	480,100
Interest income	(11,700)	(13,100)
Interest expense	35,500	35,300
Eq. in inc. of unconsol. co.	(21,200)	(17,300)
Income before taxes	197,900	148,500
Income taxes	$ 84,400	$ 59,800
Net Income	$ 113,500	$ 88,700

* Included in Costs and Expenses, Depreciation: $68,900,000 in 1984 and $64,600,000 in 1983.

Assets
(000's)

As of	12/29/84	12/31/83
Cash & market. securities	$ 42,900	$ 165,800
Accts. receiv., net	549,800	439,500
*Inventories	877,300	827,500
Prepaid expenses	44,800	38,100
Current Assets	$ 1,514,800	$ 1,470,900
#Fixed assets	452,400	412,900
Other assets	242,800	220,800
Total Assets	$ 2,210,000	$ 2,104,600

Liabilities
(000's)

	12/29/84	12/31/83
Short-term debt, curr.	$ 28,900	$ 8,300
Long-term debt, curr.	26,700	14,800
Accts. payable	217,300	169,700
Income taxes	36,600	86,600
Other liabilities	335,600	280,500
Curr. Liabilities	$ 645,100	$ 559,900
Long-term debt	200,400	231,600
Other liabilities	110,600	68,500
+ Preferred stock:		
$2.08 Cum. conv.	36,000	42,100
$1.40 Convertible	12,200	12,800
+ + Common stock	9,000	9,000
Add. paid-in capital	148,300	141,600
Retained earnings	1,152,800	1,105,200
For. curr. trans. adj.	(30,000)	(20,000)
Treasury stock	(74,400)	(46,100)
Total Liabilities & Shareholders' Equity	$ 2,210,000	$ 2,104,600

* At LIFO. The remainder at lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.
+ + $0.25 par value.

Statistical Summary

	12/29/84	12/31/83
%Income bef. Taxes to Sales	6.14	4.98
%Net Income to Sales	3.52	2.98
%Net Income to Equity	9.05	7.13
Sales to Inventories	3.67	3.60
Working Capital	$ 869,700,000	$ 911,000,000
Current Ratio	2.35	2.63
Shareholders' Equity	$1,253,900,000	$1,244,600,000

Thermo Electron Corporation

101 First Avenue
P.O. Box 9046
Waltham, Massachusetts 02254
(617) 890-8700

Officers: George N. Hatsopoulos, president & chief executive officer; Peter G. Pantazelos, exec. v.p. and chief financial officer; Robert C. Howard, exec. v.p.; John N. Hatsopoulos, exec. v.p.; John P. Appleton, v.p.; Walter J. Bornhorst, Arvin H. Smith, sr. v.p.; Paul F. Ferrari, treasurer & secretary; Paris L. Nicolaides, Jerry P. Davis, Firooz Rufeh, v.p.'s; Paul F. Kelleher, controller.

Directors: George N. Hatsopoulos, Robert A. McCabe, Donald E. Noble, Alexander V. d'Arbeloff, Peter O. Crisp, Edward Teller, Frank Jungers, Roger D. Wellington, Elias P. Gyftopoulos.

Areas of Work: Provides industry, utilities, and government with high technology equipment and services, in fields of energy conversion, cogeneration systems, instruments to monitor nuclear radiation, and critical air pollutants; equipment used in the manufacture of computers and electronics, magnetic tapes and films, and components for national defense. Six groups of operations include cogeneration systems, instruments, process equipment, metallurgical services, R & D Center, and thermedics.

Divisions and Subsidiaries:

Thermo Analytical, Inc. (67% owned)
Analytical services involving the testing and identification of toxic and hazardous chemicals in the environment.

Thermedics Inc. (85% owned)
Biomedical products, principally heart assist devices, and wound dressings.

Instruments Division

Environmental Instruments
108 South Street
Hopkinton, Massachusetts 01748

Analytical Instruments
101 First Avenue
P.O. Box 2108
Santa Fe, New Mexico 87501

Eberline
Airport Road
P.o. Box 2108
Santa Fe, New Mexico 87501

Air Monitoring
2015 Bellaire Avenue
Royal Oak, Michigan 48067

Environmental Analysis Laboratory
2030 Wight Avenue
Richmond, California 94804

Thermo Electron Limited
Woolborough Lane
Crawley, West Sussex RH10 2AQ
England

Thermo Electron Nippon Co., Ltd.
3-5-11 Minami-Nakaburi
Hiakaba, Osaka Japan

Van Hengel Instruments B.V.
Heerbaan 220
Breda
The Netherlands

Van Hengel Instrumente GmbH
Baiertalerstrasse 24-26
6908 Wiesloch
West Germany

Energy Systems Division
Research, development and manufacturing programs related to the conversion of energy and the generation of power.

Energy Systems
101 First Avenue
P.O. Box 459
Waltham, Massachusetts 02254

Crusader Engines
7100 East 15 Mile Road
Sterling Heights, Michigan 48077

Metallurgical Equipment Division
Designs, develops, manufactures and markets controlled atmosphere furnaces and associated equipment for industrial heat-treating processes.

Loftus
5 Gateway Center
Pittsburgh, Pennsylvania 15222

Holcroft
12068 Market Street
Livonia, Michigan 48150
(313) 261-8410

Holcroft & Company (Canada) Ltd.
94 Bessemer Court
London, Ontario, Canada N6E 1K7

NAPCO, Inc.
NAPCO Drive
P.O. Box 26
Terryville, Connecticut 06786

Metallurgical Services Division
Develops and manufactures medical prosthetic devices and fabricates high performance metal alloy components.

SCAT DIVISION
2829 East Washington Boulevard
Los Angeles, California 90023

Metal Treating Division
1575 West Pierce Street
Milwaukee, Wisconsin 52304

Cal-Doran Division
2830 East Washington Boulevard
Los Angeles, California 90023

TEMS Division
411 Jackson Hill Street
Houston, Texas 77007

Perfection Heat Treating Division
24200 Plymouth Road
Detroit, Michigan 48239

Metallurgical, Inc.
900 East Hennepin Avenue
Minneapolis, Minnesota 55414

Metals Division
115 Eames Street
Wilmington, Massachusetts 01887

R & D New Business Division
45 First Avenue
P.O. Box 02264
Waltham, Massachusetts 02254

Acquisition(s):

National Nuclear Corporation
Manufacturer of highly sensitive devices for monitoring the presence of low-level radioactive materials.

Transfer Agent(s):

Bank of Boston
Securities Transfers and Shareholder Correspondence
P.O. Box 644
Boston, Massachusetts 02102

Stock Exchange(s): New York

Ticker Symbol: TMO

Sales and Earnings

	Net Sales ‡	Net Income
12/28/85	$ 265,668,000	$ 9,614,000
12/29/84	234,924,000	6,073,000
12/31/83	181,866,000	50,000
1/1/83	217,222,000	2,578,000
1/2/82*	114,630,000	4,068,000

	No. of Com. Shares +	Earn. per Share +
12/28/85	9,917,235	$ 1.01
12/29/84	9,049,918	0.67
12/31/83	8,892,966	0.01
1/1/83	9,600,568	0.27
1/2/82*	9,829,390	0.90

* 6 months.
‡ Includes other income.
+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	12/28/85	12/29/84
Engineered industrial prods.	$ 173,236	$ 151,684
Environmental and health instruments	45,911	39,824
Metallurgical services	32,404	31,158
Sponsored research	14,117	12,258
Total	$ 265,668	$ 234,924

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
12/28/85	—	—	3-for-2
12/29/84	—	—	—
12/31/83	—	—	3-for-2
1/1/83	—	—	—
1/2/82	—	—	—

Common Stock Equity

	Total Equity	Equity Per Share +
12/28/85	$ 101,638,000	$ 10.25
12/29/84	84,219,000	9.31
12/31/83	79,026,000	8.89
1/1/83	78,092,000	8.13
1/2/82	84,526,000	8.60

+ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended	12/28/85	12/29/84
Net sales	$ 251,723	$ 219,723
Rev. from res. & develop. cont.	13,945	15,201
Gain on stock sale	9,105	—
Other income	2,400	917
Total income	$ 277,173	$ 235,841
Cost of sales	182,105	159,532
Expenses	72,219	64,191
Restruc. costs	4,300	50
Deferred income	2,201	1,029
Interest expense	4,558	4,879
Income before taxes	$ 11,790	$ 6,160
Income taxes	2,176	87
Net Income	$ 9,614	$ 6,073

* Included in Costs and Expenses, Depreciation and Amortization: $7,841,000 in 1985 and $8,577,000 in 1984.

Assets
(000's)

As of	12/28/85	12/29/84
Cash	$ 3,572	$ 1,865
Short-term invest.	26,433	9,513
Accts. receiv., net	47,006	44,167
Unbilled contract costs & fees	22,859	17,494
*Inventories	30,227	29,082
Prepaid expenses	1,307	1,216
Current Assets	$ 131,404	$ 103,337
#Fixed assets	44,729	44,401
Assets of closed div.	925	4,147
Invest. in future tax benefits	5,077	6,744
Other assets	9,781	8,956
Intangibles	29,734	26,514
Total Assets	$ 221,650	$ 194,099

Liabilities
(000's)

Notes payable	$ 5,136	$ 4,197
Long-term debt, curr.	674	1,016
Accts. payable	23,572	23,916
Billings in exc. of contract costs	3,966	7,623
Accrued payroll	9,091	7,694
Accruals & misc. taxes	10,619	7,632
Income taxes	4,453	3,358
Curr. Liabilities	$ 57,511	$ 55,436
Long-term debt.	45,173	44,109
Deferred inc. taxes	5,159	5,793
Other deferred items	5,551	3,227
Minority interest	6,618	1,315
+ Common stock	9,917	6,612
Add. paid-in capital	42,580	42,750
Retained earnings	55,397	45,783
Treasury stock	(2,297)	(6,326)
Cum. trans. adjust.	(3,959)	(4,600)
Total Liabilities & Shareholders' Equity	$ 221,650	$ 194,099

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes Revenues	4.68	2.62
%Net Income to Revenues	3.82	2.59
%Net Income to Equity	9.46	7.21
Debt to Equity	0.50	0.59
Working Capital	$ 73,893,000	$47,901,000
Current Ratio	2.28	1.86
Shareholders' Equity	$101,638,000	$84,219,000

Thomas & Betts Corporation

920 Route 202
Raritan, New Jersey 08869
(201) 685-1600

Officers: J. David Parkinson, chairman of the board; T. Kevin Dunnigan, president & chief executive officer; Robert V. Berry, sr. v.p.; Edward D. Thomas, v.p.-corp. development; James D. Hay, v.p. & general counsel; Ronald P. Babcock, v.p.-finance; John F. Walsh, v.p.-human resources; David M. Hunihan, group v.p.; James F. Haggerty, controller; N. Gary Shultis, group v.p.; James D. Oberlender, group v.p.; J.W. Kearny Hibbard, treasurer; Janice H. Way, secretary.

Directors: J. David Parkinson, chairman; Ian M. Ross, Edward D. Thomas, William R. Hartman, Louis Putze, Peter Cartmell, J. Wendell Crain, Frederick Bartenstein, Hobart Betts, T. Kevin Dunnigan, Norma Maine Loeser, William H. Waltrip, William C. Hittinger.

Areas of Work: Engaged in the manufacture and marketing of connectors and accessory products for the electrical-electronic industry. Products include tools that cut, strip, and identify wires and conduits; connectors that splice or terminate wires; markers that label wires; wire fittings; flat cables; flexible circuits.

Divisions and Subsidiaries:

T&B Construction & Industrial Marketing
920 Route 202
Raritan, New Jersey 08869
(201) 685-1600

Thomas & Betts France, S.A.
57, Place de la Seine
Silic 120
94513 Rungis Cedex
France

Thomas & Betts GmbH
6072 Dreieich
Siemenstrasse 11
West Germany

Thomas & Betts S.p.A.
Via Archimede 19
Angolo P. de Labriola
20092 Cinisello Balsamo (Mi)
Italy

Thomas & Betts International, Inc.
Sedgwick Road
Luton LU4 9DT
Bedfordshire, England

Thomas & Betts Limited
Thomas & Betts Maufacturing, Ltd.
P.O. Box 30
700 Thomas Boulevard
Iberville, Quebec J2X 2M9
Canada

Thomas & Betts Pty. Limited
11 Inman Road, Dee Why West
N.S.W.
P.O. Box 91
Brookvale 2100, N.S.W.
Australia

T&B/Ansley Corporation
35 Elizabeth Avenue
Somerset, New Jersey

T&B Japan Ltd
No. 32 Kowa Bldg.
2-32 Minami Azabu
Minato-Ku, Tokyo 106
Japan

Doylestown Manufacturing Corporation
Old Easton Road
Doylestown, Pennsylvania

Thomas & Betts Aktiebolag
Kanalvagen 1
S19461 Upplands Vasby
Sweden

Thomas & Betts de Mexico, S.A. de CV
Alberto J. Pani 165
Cto. Economistas
Cd. Satellite
Edo de Mexico, Mexico

Thomas & Betts Limited
Thomas & Betts Manufacturing Limited
England

Thomas & Betts (S.E. Asia) Pte. Ltd.
Unit 105, First Floor
Cideco Industrial Complex
50 Genting Lane
Singapore 1334

Thomas & Betts Spain
Pallars, 65-71
Barcelona 18, Spain

Ouest Electronic Connecteurs
1 Place Honore de Balzac
Tour du Moulin Sarrazin 1
B.P. 38
95102 Argenteuil, Cedex, France

Excel Products Company
New Brunswick, New Jersey
Manufactures logic packaging panels, DIP Sockets, and back plane wiring components and systems.

Quelcor, Inc.
P.O. Box 33
Media, Pennsylvania 19063
Flame retardant products.

Transfer Agent(s):

First Fidelity Bank, N.A., New Jersey
Stock Transfer Department
P.O. Box 1309
Newark, New Jersey 07101

Stock Exchange(s): New York

Ticker Symbol: TNB

Number of Employees:

1985	3,200	1982	2,900
1984	3,200	1981	3,100
1983	3,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 318,000,000	$ 33,400,000
1984	*322,400,000	39,000,000
1983	278,400,000	27,050,000
1982	255,200,000	23,550,000
1981	268,600,000	33,363,000

	No. of Com. Shares +	Earn. per Share ‡
1985	15,523,524	$ 2.15
1984	15,533,925	2.51
1983	15,571,156	1.74
1982	15,495,702	1.52
1981	15,483,122	2.16

+ Adjusted to reflect stock split.
‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	$1.33	—	—
1984	1.20½	—	2-for-1
1983	1.08	—	—
1982	1.06	—	—
1981	0.96	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 224,994,000	$ 14.49
1984	212,144,000	13.65
1983	194,580,000	12.52
1982	183,720,000	11.87
1981	177,595,000	11.48

‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 318,000	$ 322,400
Cost of sales	158,921	157,896
Expenses	90,591	85,418
Other income	(2,067)	(2,049)
Research & develop.	17,574	16,990
Income before taxes	$ 52,981	$ 64,145
Income taxes	19,581	25,145
Net Income	$ 33,400	$ 39,000

* Included in Costs and Expenses. Depreciation: $12,976,000 in 1985 and $12,909,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & invest.	$ 47,146	$ 53,049
Accts. receiv., net	43,953	46,205
*Inventories	86,074	85,564
Deferred inc. taxes	3,962	2,708
Prepaid expenses	3,463	2,399
Current Assets	$ 184,598	$ 189,925
#Fixed assets	91,212	74,407
Defer. charges & other assets	18,892	16,853
Total Assets	$ 294,702	$ 281,185

Liabilities
(000's)

	1985	1984
Notes payable	$ 13,535	$ 15,968
Long-term debt, curr.	641	558
Accts. payable	15,016	15,091
Accruals	11,766	11,735
Dividends payable	5,283	4,817
Income taxes	11,624	11,926
Curr. Liabilities	$ 57,865	$ 60,095
Long-term debt	8,516	7,926
Deferred inc. taxes	3,327	1,020
+ Common stock	7,916	7,904
Add. paid-in capital	15,844	14,858
Retained earnings	213,481	200,746
For. curr. translation adjustment	(3,992)	(4,840)
Treasury stock	(8,255)	(6,524)
Total Liabilities & Shareholders' Equity	$ 294,702	$ 281,185

* At lower of standard cost or market, and at lower of appropriate year's standard cost or current market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	16.66	19.90
%Net Income to Sales	10.50	12.10
%Net Income to Equity	14.84	18.38
Sales to Inventories	3.69	3.77
Debt to Equity	0.04	0.04
Working Capital	$126,733,000	$129,830,000
Current Ratio	3.19	3.16
Shareholders' Equity	$224,994,000	$212,144,000

TII Industries, Inc.

1375 Akron Street
Copiague, New York 11726
(516) 789-5000

Officers: Alfred J. Roach, chairman of the board & chief exec. officer; Timothy J. Roach, president, vice chairman & asst. chief exec. officer; Steve L. Takacs, exec. v.p. & chief operating officer; John T. Hyland, Jr., v.p.-finance; C. Bruce Barksdale, v.p.-product development; Dorothy Roach, secretary-treasurer; Frances Giambanco, asst. secretary.

Directors: Alfred J. Roach, chairman; Dorothy Roach, Joseph C. Hogan, C. Bruce Barksdale, Timothy J. Roach, James Grover, Jr.

Areas of Work: Produces overvoltage protective devices, uninterruptible power systems and electronic products used in communications industry.

Subsidiaries:

TII Corporation
TII Electronics, Inc.

both at:

100 No. Strong Avenue
Lindenhurst, New York 11757

TII Industries, Inc. Puerto Rico
Road 165, Kilometer 1.6
Toa Alta, Puerto Rico 00758

EHV Systems, Inc.
New York, New York
Manufactures uninterruptible power supply systems.

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): American

Ticker Symbol: TI

Number of Employees:

1985	849	1984	500

Plant Footage:

1985	88,000 sq. ft.	1984	60,000

Sales and Earnings

	Net Sales	Net Income †
1985	$ 31,353,000	$ 310,000
1984	32,653,000	2,954,000
1983	23,379,000	(2,150,000)
1982	23,109,000	2,587,000
1981	21,580,000	2,455,000

	No. of Com. Shares #	Earn. per Share #†
1985	2,947,000	$ 0.11
1984	2,927,000	1.01
1983	2,603,000	—
1982	2,668,000	0.97
1981	2,405,000	1.01

† Including extraordinary gains of $30,000 ($0.01 per share) in 1984, $50,000 ($0.02 per share) in 1983, $80,000 ($0.03 per share) in 1982 and $137,000 ($0.05 per share) in 1981.
# Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	11-for-10
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 18,975,000	$ 6.44
1984	18,185,000	6.21
1983	14,778,000	5.68
1982	16,808,000	6.30
1981	9,049,000	3.76

† Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 31,353,000	$ 32,653,000
Cost of sales	21,530,000	20,430,000
Expenses	7,580,000	8,256,000
Research & devel.	1,423,000	1,495,000
Other income	(163,000)	(69,000)
Interest exp.	473,000	180,000
Royalty income	—	(50,000)
Interest income	(118,000)	(370,000)
Gain on sale of subsid. stock	(236,000)	(1,202,000)
Income bef. taxes	$ 864,000	$ 3,983,000
Income taxes (credit)	(114,000)	190,000
Eq. in loss of affil.	668,000	869,000
Net Income	$ 310,000	$ 2,924,000
Extraord. gain	—	30,000
Net Income & extraord. gain	$ 310,000	$ 2,954,000

* Included in Costs and Expenses, Depreciation and Amortization: $1,741,000 in 1985 and $1,368,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 4,072,000	$ 1,552,000
Accts. receiv., net	4,945,000	4,932,000
Other receivables	293,000	253,000
*Inventories	16,731,000	14,987,000
Prepaid expenses	175,000	138,000
Current Assets	$ 26,216,000	$ 21,862,000
Invest. in affil.	725,000	107,000
#Fixed assets	8,636,000	7,779,000
Other assets	1,859,000	1,955,000
Total Assets	$ 37,436,000	$ 31,703,000

Liabilities

	1985	1984
Notes payable	$ 2,514,000	$ 1,475,000
Long-term debt, curr.	5,000	68,000
Accts. payable	3,289,000	3,995,000
Accruals & taxes	1,735,000	1,320,000
Curr. Liabilities	$ 7,543,000	$ 6,858,000
Long-term debt	5,198,000	217,000
Present value of delayed payment	—	202,000
Deferred income taxs	—	160,000
Deferred credit	5,720,000	6,081,000
+ Common stock	29,000	28,000
Add. paid-in capital	7,235,000	6,756,000
Retained earnings	11,992,000	11,682,000
Treasury stock	(281,000)	(281,000)
Total Liabilities	$ 37,436,000	$ 31,703,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	2.76	12.20
%Net Income to Sales	0.99	8.95
%Net Income to Equity	1.63	16.08
Sales to Inventories	1.87	2.18
Debt to Equity	0.41	0.10
Working Capital	$18,673,000	$15,004,000
Current Ratio	3.48	3.19
Shareholders' Equity	$18,975,000	$18,185,000

Timeplex, Inc.

400 Chestnut Ridge Road
Woodcliff Lake, New Jersey 07675
(201) 391-1111

Officers: Edward Botwinick, chairman of the board, president, chief executive & chief operating officer; Bernard Furman, vice-chairman, chief administrative officer, secretary & general counsel; John Elich, v.p. & technical dir.; Victoria A. Brown, sr. v.p.-sales & marketing; Erwin H. Sloan, v.p.-federal market development; Paul J. Duffy, v.p.-finance; Joseph Wechter, v.p.-operations.

Directors: John Elich, Bernard Furman, Edward Botwinick, William E. Taylor, A. Leon Fergenson, C. Lester Hogan, James D. Wolfensohn, Robert A. Gross.

Areas of Work: Designs, manufactures, sells and services electronic data communications systems and equipment, and produces and distributes data multiplexers. Also produces modems and related communications products, and provides complete data communications systems, which increase the capacity and efficiency of communications facilities by employing advanced, high speed, realtime data processing techniques to collect and combine digital data for transmission at high speeds over communications circuits. They also provide network management, statistical and diagnostic information, supervisory communications capabilities, and high level fault diagnostic capabilities for users.

Divisions and Subsidiaries:

Timeplex Limited
Brentford & Leeds, England

Timeplex B.V.
Dublin, Ireland

Controlware, GmbH
Frankfurt, West Germany

Timeplex Canada
Toronto, Ontario

Timeplex Europe
Brussels, Belgium

Timeplex Caribe Ltd.
Puerto Rico

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Number of Employees:

1985	1,253	1982	574
1984	960	1981	470
1983	745		

Plant Footage:

1985	417,000 sq. ft.	1982	105,000
1984	240,000	1981	107,000
1983	235,000		

Sales and Earnings

	Revenues +	Net Income
1985	$ 96,043,000	$ 9,992,000
1984	66,022,000	5,666,000
1983	43,670,000	3,443,000
1982	32,183,000	1,329,000
1981	27,096,000	1,685,000

	No. of Com. Shares ‡	Earn. Per Share ‡
1985	8,673,157	$ 1.15
1984	8,481,054	0.67
1983	7,567,200	0.45
1982	6,355,973	0.21
1981	6,066,664	0.28

+ Of continuing operations only.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	5-for-4
1983	—	—	5-for-4
1982	—	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 67,458,000	$ 7.78
1984	54,457,000	6.42
1983	49,311,000	6.52
1982	22,859,000	3.60
1981	21,188,000	3.49

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Total revenues	$ 96,043,000	$ 66,022,000
Cost of sales	41,101,000	27,415,000
Expenses	44,003,000	31,276,000
Interest expense	3,128,000	3,082,000
Interest & other income	(6,028,000)	(4,604,000)
Income before taxes	$ 13,839,000	$ 8,853,000
Income taxes	4,982,000	3,187,000
Tax credit	(1,135,000)	—
Net Income	$ 9,992,000	$ 5,666,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,682,000 in 1985 and $3,325,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 33,993,000	$ 46,884,000
Accts. receiv., net	23,628,000	16,545,000
*Inventories	26,770,000	19,456,000
Prepaid expenses	1,376,000	876,000
Current Assets	$ 85,767,000	$ 83,761,000
#Fixed assets	38,804,000	23,120,000
Other assets	4,988,000	3,763,000
Total Assets	$ 129,559,000	$ 110,644,000

Liabilities

Long-term debt, curr.	$ 1,049,000	$ 300,000
Accts. payable	5,990,000	4,435,000
Accrued liabilities	9,204,000	7,115,000
Curr. Liabilities	$ 16,243,000	$ 11,850,000
Long-term debt	38,542,000	39,329,000
Deferred inc. taxes	7,316,000	5,008,000
+ Common stock	86,000	84,000
Add. paid-in capital	45,785,000	42,465,000
Retained earnings	24,894,000	14,902,000
Treasury stock	(627,000)	(506,000)
Notes from officers, deferred comp., & cum. for. exch. adj.	(2,680,000)	(2,488,000)
Total Liabilities & Shareholders' Equity	$ 129,559,000	$ 110,644,000

* At lower of average cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	14.41	15.23
%Net Income to Sales	10.40	9.74
%Net Income to Equity	14.81	10.40
Sales to Inventories	3.59	2.99
Debt to Equity	0.59	0.73
Working Capital	$69,524,000	$71,911,000
Current Ratio	5.28	7.07
Shareholders' Equity	$67,458,000	$54,457,000

The Titan Corporation

(formerly Electronic Memories & Magnetics Corporation)

9191 Towne Centre Drive
Suite 600
San Diego, California 92122
(619) 453-9592

Officers: J. Sidney Webb, chairman; Gene W. Ray, president & chief exec. officer; Rolf B. Erikson, sr. v.p.-corporate development; Edward F. Kavanaugh, sr. v.p. & chief financial officer; Gerald T. Keahl, sr. v.p.-operations; Albert E. Knauf, Jr., v.p. & president-Titan Systems, Inc.; James G. Turner, v.p. & president-Titan Sever Environment Systems; Eric M. Iwafuchi, controller.

Directors: Harry S. Derbyshire, J. Sidney Webb, Jospeh F. Caligiuri; Daniel J. Fink, Simon Ramo, Gene W. Ray, R. James Woolsey.

Areas of Work: Titan operates in two segments: Defense and Industrial. The Defense segment provides system design and development; advanced technology research; system integration; militarized computers; memory systems; and electronic subsystems as well as deployment, operational and testing support. The Industrial segment includes power conditioning equipment; uninterruptible power systems (UPS); lasers; laser systems; high-power, high-voltage electronic subsystems for directed energy devices; ferrite powders; and high-alloy castings.

Subsidiaries:

Titan Severe Environment Systems Company
Computer Power Products Corporation
Beta Development Corporation
Titan Systems, Inc.

Transfer Agent(s):

Bank of America, N.T. & S.A.
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: TTN

Number of Employees:

1985	1,841	1982	3,000
1984	1,800	1981	3,000
1983	N.A.		

N.A. - Not Available.

Plant Footage:

1985	640,000 sq. ft.	1984	600,000

Sales and Earnings ‡

	Net Revenues +	Net Income
1985	$ 97,864,000	$ (8,783,000)
1984	85,641,000	2,726,000
1983	70,421,000	4,120,000
1982	57,125,000	1,185,000
1981	60,287,000	1,521,000

	No. of Com. Shares x	Earn. per Share x
1985	9,945,000	$ --
1984	10,157,000	0.17
1983	9,524,000	0.32
1982	N.A.	0.02
1981	N.A	0.06

(Loss)
N.A. - Not Available.
‡ Restated to reflect the merger of Electronic Memories & Magnetics Corp. and Titan Systems Int'l., accounted for as a pooling of interests.
+ Of continuing operations only.
x Based on the weighted average number of shares outstanding.

Revenues By Line of Business

	1985	1984
Defense	$ 67,890,000	$ 61,988,000
Industrial	29,974,000	23,653,000
Total	$ 97,864,000	$ 85,641,000

Common Stock Equity ‡

	Total Equity †	Equity Per Share x
1985	$ 17,261,000	$ 1.74
1984	26,762,000	2.63
1983	24,371,000	2.56
1982	17,252,000	—
1981	16,911,000	—

‡ Restated.
† After allowing for preferred stock at liquidation value of $20 per share.
x Based on the weighted average number of shares outstanding.

Income Account *
(000's)

Year ended	12/28/85	12/29/84 ‡
Net revenues	$ 97,864	$ 85,641
Cost of revenues	75,848	66,658
Expenses	16,465	13,848
Other expenses	1,316	790
Merger expenses	1,724	—
Income before taxes	$ 2,511	$ 4,345
Income taxes	1,568	587
Inc. - cont. oper.	$ 943	$ 3,758
Loss - discont. oper.	(9,726)	(1,032)
Net Income (Loss)	$ (8,783)	$ 2,726

* Included in Costs and Expenses, Depreciation and Amortization: $2,621,000 in 1985 and $2,245,000 in 1984.
‡ Restated.

Assets
(000's)

As of	12/28/85	12/29/84 ‡
Cash	$ 20,888	$ 21,438
Accts. receiv., net	18,518	16,242
*Inventories	14,164	13,436
Prepaid expenses	1,986	2,063
Assets of discont. oper.	8,752	12,760
Current Assets	$ 64,308	$ 65,939
#Fixed assets	9,458	9,557
Other assets	5,057	4,687
Total Assets	$ 78,823	$ 80,183

Liabilities
(000's)

Accts. payable	$ 3,185	$ 3,066
Income taxes	1,530	2,231
Accrued comp.	4,993	3,644
Other accruals	4,057	3,548
Curr. Liabilities	$ 13,765	$ 12,489
Long-term debt	18,506	18,280
Deferred inc. taxes	10,047	3,282
+ Preferred stock	962	968
+ + Common stock	100	97
Add. paid-in capital	19,089	18,750
Retained earnings	16,829	26,627
For. curr. trans. adj.	(475)	(310)
Total Liabilities & Shareholders' Equity	$ 78,823	$ 80,183

‡ Restated.
* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value, cumulative.
+ + $1 par value.

Statistical Summary

%Net Income to Equity	—	5.91
Debt to Equity	0.51	0.40
Working Capital	$50,543,000	$53,450,000
Current Ratio	4.67	5.28
Shareholders' Equity	$36,505,000	$46,132,000

Torotel, Inc.

P.O. Box 608
Raymore, Missouri 64083
(816) 331-8400

Officers: Dale H. Sizemore, chairman of the board, president & chief executive officer; Harry A. Morris, secretary; Donald H. Loudon, asst. secretary.

Directors: Dale H. Sizemore, Harry A. Morris, Donn L. Williams, Morton D. Margolis, J. Roderick Heller, III, Thomas L. Lyon.

Areas of Work: Engaged in the engineering, testing and manufacturing of transformers, inductors, toroidal coils, statistical multiplexers, laminated chokes, molded RF chokes, capacitors, molded epoxy products, oscillators, LC filters, and discrete component modules. Also develops and manufactures environmental telecommunications and electrical test equipment.

Subsidiaries:

Halcyon Communications, Inc.
San Jose, California
Engineers, manufactures and markets instruments for the telephone and communication industry, including data-line transmission test equipment and conditioning sets.

Torotel Products, Inc.
Grandview, Missouri
Designs and manufactures magnetic components such as transformers, inductors, and other iron-core components.

Halcyon International, Inc.
San Jose, California

Halcyon W.H.C., Inc.
San Jose, California

Transfer Agent(s):

First National Bank of Kansas City
Kansas City, Missouri

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: TTL

Sales and Earnings

	Net Sales	Net Income
1984	$ 30,127,000	$ 826,000
1983	25,490,000	(1,357,000)
1982	22,406,000	212,000
1981	19,737,000	732,000
1980	16,402,177	460,221

	No. of Com. Shares ‡	Earn. per Share ‡
1984	2,375,892	$ 0.35
1983	2,348,254	—
1982	2,338,103	0.09
1981	1,786,168	0.41
1980	1,764,121	0.26

(Loss)
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	6%	—
1980	—	6%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1984	$ 8,654,000	$ 3.64
1983	7,713,000	3.28
1982	8,977,000	3.84
1981	8,616,000	4.82
1980	3,797,066	2.15

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends.

Income Account *

Year ended March 31	1984	1983
Net sales	$ 30,127,000	$ 25,490,000
Cost of sales	17,174,000	14,994,000
Expenses	11,041,000	11,956,000
Interest expense	1,149,000	956,000
Other income	(134,000)	(88,000)
Income (loss) before taxes	$ 897,000	$ (2,328,000)
Income tax (credit)	71,000	(971,000)
Net Income (Loss)	$ 826,000	$ (1,357,000)

* Included in Costs and Expenses, Depreciation and Amortization: $809,000 in 1984 and $791,000 in 1983.

Assets

As of March 31	1984	1983
Cash & cert. of deposit	$ 257,000	$ 447,000
Accts. receiv., net	9,753,000	6,834,000
*Inventories	6,370,000	6,692,000
Other assets	211,000	255,000
Current Assets	$ 16,591,000	$ 14,228,000
#Fixed assets	5,425,000	5,760,000
Other assets	184,000	150,000
Intangibles	319,000	331,000
Total Assets	$ 22,519,000	$ 20,469,000

Liabilities

Long-term debt, curr.	$ 211,000	$ 4,622,000
Accts. payable	7,700,000	2,945,000
Accruals	1,681,000	1,593,000
Income taxes	31,000	27,000
Deferred income taxes	22,000	—
Curr. Liabilities	$ 12,129,000	$ 9,187,000
Long-term debt	1,736,000	3,569,000
+ Common stock	1,185,000	1,178,000
Add. paid-in capital	7,317,000	7,209,000
Retained earnings (deficit)	163,000	(663,000)
Treasury stock	(11,000)	(11,000)
Total Liabilities & Shareholders' Equity	$ 22,519,000	$ 20,469,000

* At lower of cost or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	2.98	—
%Net Income to Sales	2.74	—
%Net Income to Equity	9.54	—
Sales to Inventories	4.73	3.81
Working Capital	$4,462,000	$5,041,000
Current Ratio	1.37	1.55
Shareholders' Equity	$8,654,000	$7,713,000

Tracor, Inc.

6500 Tracor Lane
Austin, Texas 78725
(512) 926-2800

Officers: Frank W. McBee, Jr., chairman of the board, president & chief exec. officer; Jim A. Smith, v.p., treasurer & chief financial officer; Murray Shaw, v.p.-industrial relations; Audrey T. Dearing, corp. secretary; Russell E. Painton, v.p. & gen. counsel; Sheila J. Nagy, gen. mgr.-Traco Publications; Benny E. Jay, v.p.-planning & special products; Judith A. Newby, v.p.-public relations; Fred S. Schulte, v.p. & controller; Carl A. Edrington, corp. director-internal audit; Leroy J. Kana, corp. director-quality & safety assurance.

Tracor, Inc.

Directors: Frank W. McBee, Jr.*, chairman; Marcel E. Gres, Edward Randall, III, J.T. Trotter*, Donald L. Lucas, W.J. Buffo, Kenneth L. Block, Dewuse Guyton, Jr.*, John H. Duncan*, Jim A. Smith*, Charls E. Walker, Walter A. Clements, Norman Hackerman, Bobby R. Inman, William C. Moyer, Sam K. Smith

* Member of the Executive Committee

Divisions and Subsidiaries:

Components Group
800 East Northwest Highway
Des Plaines, Illinois 60016
(312) 824-1188

Production of fuses, fuseholders, circuit breakers, switches, relays, automobile buzzers and flashers, coils, capacitors, controls, anti-skid sensors, color convergence assemblies, indicating lights, potentiometers, blue lateral and purity devices and other electronic and electromechanical components.

Littlefuse Tracor, Inc.
Des Plaines, Illinois

Littlefuse Tracor, Europe
Utrecht, The Netherlands
Washington, Tyne & Wear, England

Tracor Littlefuse, S.A. de C.V.
Piedras Negras, Mexico

Instruments Group
2551 West Beltline Highway
Middleton, Wisconsin 53562
(608) 831-6511

Designs, develops and produces proprietary scientific instruments for chemical, elemental, and medical analyses, and for process control.

Tracor Instruments Austin, Inc.
Austin, Texas

Tracor Europa, B.V.
Bilthoven, The Netherlands

Tracor Northern, Inc.
Middleton, Wisconsin

Tracor Westronics, Inc.
Fort Worth, Texas

Tracor Atlas, Inc.
Houston, Texas

Tracor Xray, Inc.
Mountain View, California

Applied Sciences Group
402 Cottonwood Parkway
California, Maryland 20619
(301) 862-7220

Involved in scientific research and development under sponsorship of government agencies and private clients. Its major fields of activity include submarine and surface ship sonar; underwater acoustical surveillance; ocean engineering research and ship support; collection and analysis of medical information related to cancer and occupational safety and health; communications, environmental, social, physical sciences; and safety.

Tracor Marine, Inc.
Port Everglades, Florida

Analysis & Applied Research Division
Austin, Texas

Electronics Systems Division
Rockville, Maryland

Systems Technology Division
Rockville, Maryland

Special Programs Division
Orlando, Florida

Tracor Hydronautics, Inc.
Laurel, Maryland

Tracor Hydro-Services, Inc.
Missouri City, Texas

Tracor Jitco, Inc.
Rockville, Maryland

Tracor Marcon, Inc.
Bellevue, Washington

Aerospace Group
6500 Tracor Lane
Austin, TX 78725
(512) 926-2800

Manufactures specialized electronic and electromechanical systems including passive electronic countermeasure systems, advanced telecommunications terminals and specialized microprocessors. Also manufactures airborne navigation systems for use in commercial and private aircraft.

Tracor Aerospace-Austin, Inc.
Austin, Texas

Tracor MBA
San Ramon, California

Tracor Radcon, Inc.
Laredo, Texas

Flight Systems Group
1901 Dove Street
Newport Beach, California 92660
(714) 833-9661

Performs flight testing, designs and produces electronic warfare systems, and modified aircraft.

Flight Systems, Inc.
Newport Beach, California

FSI Services
Newport Beach, California

Tracor Aviation, Inc.
Goleta, California

Transfer Agent(s):

MBank-Dallas
Dallas, Texas

Stock Exchange(s): New York, Midwest, Pacific, London

Ticker Symbol: TRR

Number of Employees:

1985	9,700	1982	7,800
1984	9,100	1981	7,600
1983	8,300		

Sales and Earnings

	Net Sales +	Net Income
1985	$ 546,534,000	$ 13,371,000
1984	497,631,000	33,235,000
1983	410,199,000	24,565,000
1982	374,026,000	20,272,000
1981	356,572,000	18,750,000

	No. of Com Shares ×	Earn. per Share ×
1985	19,498,000	$ 0.69
1984	19,284,000	1.72
1983	19,180,000	1.28
1982	18,640,000	1.09
1981	18,511,000	1.01

+ Of continuing operations only.
× Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business
(000's)

	1985	1984
Defense electronics	$ 368,917	$ 322,781
Instruments	81,482	73,242
Components	96,135	101,608
Total	$ 546,534	$ 497,631

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.32	—	5-for-4
1984	0.272	—	—
1983	0.224	—	5-for-4
1982	0.192	—	5-for-4
1981	0.163	—	3-for-2

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 196,301,000	$ 10.07
1984	182,767,000	9.48
1983	153,849,000‡	8.02
1982	127,704,000‡	6.85
1981	112,878,000‡	6.10

‡ After allowing for preferred stock at involuntary liquidation value.
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 546,534	$ 497,631
Cost of sales	414,944	354,147
Expenses	92,582	78,450
Interest expense	7,799	4,919
Income before taxes	$ 31,209	$ 60,115
Income taxes	12,347	25,898
Income - cont. oper.	$ 18,862	$ 34,217
Loss - discont. oper.	5,491	982
Net Income	$ 13,371	$ 33,235

* Included in Costs and Expenses, Depreciation and Amortization: $18,420,000 in 1985 and $16,545,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 4,364	$ 8,480
Accts. receiv., net	148,897	125,154
*Inventories	74,771	59,783
Assets of discont. oper.	7,615	—
Prepaid expenses	5,105	3,534
Current Assets	$ 240,752	$ 196,951
Investments & other assets	6,126	3,515
#Fixed assets	154,501	135,735
Defer. charges & intangibles	5,822	5,283
Total Assets	$ 407,201	$ 341,484

Liabilities
(000's)

Long-term debt, curr.	$ 2,778	$ 2,984
Accts. payable	24,540	19,048
Accruals	53,084	32,762
Income taxes	6,811	13,439
Curr. Liabilities	$ 87,213	$ 68,233
Long-term debt	103,423	76,785
Deferred inc. taxes	20,264	13,699
+ Common stock	6,565	5,156
Add. paid-in capital	70,498	65,390
Retained earnings	122,822	113,795
Treasury stock	(3,584)	(1,574)
Total Liabilities & Shareholders' Equity	$ 407,201	$ 341,484

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.33⅓ par value.

Statistical Summary

% Net Income to Equity	6.81	18.18
Sales to Inventories	7.31	8.32
Debt to Equity	0.54	0.44
Working Capital	$153,539,000	$128,718,000
Current Ratio	2.76	2.89
Shareholders' Equity	$196,301,000	$182,767,000

Transducer Systems, Inc.

1510 Delp Drive
P.O. Box 341
Kulpsville, Pennsylvania 19443
(215) 256-4611

Officers: Michael Nakonechny, chairman of the board & chief exec. officer; Thomas J. Carduff, president, chief operating officer & secretary; R. Phillip Wallauer, v.p.; Mark J. Kadish, chief financial officer & treasurer.

Directors: Michael Nakonechny, Thomas J. Carduff, Harvey Mahlig, Alfred A. Zollo, Alfred Lifton.

Areas of Work: The Company designs, manufactures and markets electro-magnetic and electronic components for use in a variety of applications. Principal products include: magnetic pickups, digital-output sensors, zero-speed sensors and velocity transducers, sold to the computer peripheral industry for use in disk drives and printers; inverters which convert voltage from DC to AC, used in electroluminescent lamps; and printed circuit boards, cable harnesses, coils, and electronic sub-assemblies, for use by major aerospace-electronics equipment manufacturers.

Acquisition(s):

BCA, Ltd.
Microdata, Ltd.

Barbados, West Indies

Manufacture of custom-designed electronic components and sub-systems.

Transfer Agent(s):

Mellon Bank (East) NA
Mellon Bank Center
P.O. Box 8337
Philadelphia, Pennsylvania 19102

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TSIC (NASDAQ)

Number of Employees:

1985	200	1982	130
1984	250	1981	N.A.
1983	360		

N.A. - Not Available.

Plant Footage:

1985	70,000 sq. ft.	1982	45,000
1984	54,000	1981	32,000
1983	45,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,932,000	$ (921,000)
1984	7,455,000	613,000
1983	6,014,000	471,000
1982	3,752,000	14,000
1981	4,560,000	389,000

	No. of Com. Shares †	Earn per Share #
1985	1,030,011	$ —
1984	1,028,636	0.60
1983	1,028,194	0.46
1982	1,017,480	0.01
1981	971,188	0.38

(Loss)
† Adjusted to reflect stock dividend.
# Based on the average number of shares and common share equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	0.02	10%	—
1983	0.02	—	—
1982	0.02	—	—
1981	0.05	—	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 2,045,000	$ 1.99
1984	2,960,000	2.88
1983	2,364,000	2.30
1982	1,877,000	1.84
1981	1,851,000	1.91

† Adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 3,932,000	$ 7,455,000
Cost of sales	3,256,000	4,288,000
Expenses	1,777,000	1,982,000
Interest expense	197,000	178,000
Other expense (income)	14,000	(9,000)
Loss on closed facil.	182,000	—
Inc. (loss) bef. taxes	$ (1,494,000)	$ 1,016,000
Income taxes (credit)	(573,000)	403,000
Net Income (Loss)	$ (921,000)	$ 613,000

* Included in Costs and Expenses, Depreciation and Amortization: $398,000 in 1985 and $338,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 67,000	$ 232,000
Accts. receiv., net	786,000	1,280,000
Inc. taxes refundable	470,000	—
*Inventories	975,000	1,454,000
Prepaid expenses	95,000	81,000
Assets held for sale	450,000	—
Current Assets	$ 2,843,000	$ 3,047,000
#Fixed assets	1,998,000	2,707,000
Other receivables	147,000	165,000
Other assets	96,000	2,000
Total Assets	$ 5,084,000	$ 5,921,000

Liabilities

	1985	1984
Notes payable	$ 1,225,000	$ 600,000
Long-term debt, curr.	154,000	150,000
Accts. payable	213,000	253,000
Accruals	223,000	268,000
Income taxes	—	219,000
Curr. Liabilities	$ 1,815,000	$ 1,490,000
Long-term debt	1,198,000	1,352,000
Deferred inc. taxes	26,000	119,000
+Common stock	103,000	103,000
Add. paid-in capital	1,673,000	1,667,000
Retained earnings	269,000	1,190,000
Total Liabilities & Shareholders' Equity	$ 5,084,000	$ 5,921,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	—	13.63
%Net Income to Sales	—	8.22
%Net Income to Equity	—	20.71
Sales to Inventories	4.03	5.13
Debt to Equity	1.26	0.71
Working Capital	$1,028,000	$1,557,000
Current Ratio	1.57	2.04
Shareholders' Equity	$2,045,000	$2,960,000

Transmation, Inc.

977 Mt. Read Boulevard
Rochester, New York 14606
(716) 254-9000

Officers: William J. Berk, president & chief executive; Philip P. Schulp, v.p.-product coordination; Anthony S. Graff, v.p.-manufacturing; John A. Misiaszek, v.p.-finance, secretary-treasurer; Lucille M. Milne, asst. secretary.

Directors: William J. Berk, Angelo J. Chiarella, Philip P. Schulp, Gerald R. Katz, Roy Smart, Ronald Iannucci, Arthur M. Richardson, Robert S. Peterson, Robert G. Klimasewski.

Areas of Work: Engaged in the development and manufacture of electronic interface instruments and digital systems; produces products such as thermocouple dial alarms for monitoring plant warning temperatures, electronic integrators for accurate counting of proportional analog signals, integrated circuit transmitters, field signal indicators, calibration equipment. Additionally, the Transcat Division sells Transmation's and other manufacturers' products through direct mail marketing.

Divisions and Subsidiaries:

Instrument Division
Transcat Division
Systems/Computer Division

Transmation (Canada) Inc.
Rexdale, Ontario, Canada

Transfer Agent(s):

The National City Bank of Cleveland
Cleveland, Ohio

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRNS (NASDAQ)

Number of Employees:

1985	N.A.	1984	179

Plant Footage:

1985	N.A.	1984	38,000 sq. ft.

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 12,968,169	$ 336,713
1984	13,092,895	329,624
1983	11,241,704	(257,339)
1982	10,608,224	539,780
1981	7,276,992	(44,637)

	No. of Com. Shares †	Earn. per Share # ‡
1985	2,306,782	$ 0.14
1984	2,306,782	0.14
1983	2,304,782	—
1982	2,150,040	0.24
1981	2,113,640	—

(Loss)
† Adjusted to reflect stock splits.
# Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.
‡ Including extraordinary gains of $62,300 ($0.03 per share) in 1985 and $58,350 ($0.03 per share) in 1982.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	2-for-1
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 3,157,099	$ 1.37
1984	2,848,452	1.23
1983	2,500,170	1.08
1982	2,537,624	1.18
1981	1,949,551	0.92

† Adjusted to reflect stock splits.

Income Account *

Year ended March 31	1985	1984
Net sales	$ 12,968,169	$ 13,092,895
Cost of sales	6,988,764	6,943,588
Expenses	4,092,477	4,374,655
Research & devel	1,342,744	1,191,695
Interest expense	181,283	118,833
Other income	(20,612)	—
Income before taxes	$ 383,513	$ 464,124
Income taxes	109,100	134,500
Net Income	$ 274,413	$ 329,624
Extraordinary gain	62,300	—
Net Income & extraord. gain	$ 336,713	$ 329,624

* Included in Costs and Expenses, Depreciation: $103,111 in 1985 and $117,615 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 153,760	$ 162,241
Accts. receiv. net	2,882,244	2,395,122
*Inventories	2,863,440	1,991,708
Prepaid expenses	391,142	243,498
Current Assets	$ 6,290,586	$ 4,792,569
#Fixed assets	1,177,838	590,176
Prepaid taxes	102,275	74,225
Other assets	72,292	97,015
Total Assets	$ 7,642,991	$ 5,553,985

Liabilities

Notes payable	$ 750,000	$ —
Long-term debt, curr	78,125	—
Accts. payable	1,242,884	825,474
Accruals	823,277	827,135
Income taxes curr.	85,908	456,025
Cust. advances	—	117,892
Deferred income taxes	102,200	49,000
Curr. Liabilities	$ 3,082,394	$ 2,275,526
Long-term debt	1,171,875	250,000
Deferred compensation	231,623	180,007
+ Common stock	1,153,391	1,153,391
Add. paid-in capital	844,132	847,179
Translation adjust.	(26,669)	9,668
Retained earnings	1,331,098	994,385
Treasury stock	(144,853)	(156,171)
Total Liabilities & Shareholders' Equity	$ 7,642,991	$ 5,553,985

* At lower of standard cost (FIFO) or market
# Less accumulated depreciation
+ $0.50 par value

Statistical Summary

%Income bef. Taxes to Sales	2.96	3.54
%Net Income to Sales	2.60	2.52
%Net Income to Equity	10.67	11.57
Sales to Inventories	4.53	6.57
Debt to Equity	0.63	0.09
Working Capital	$3,208,192	$2,517,043
Current Ratio	2.04	2.11
Shareholders' Equity	$3,157,099	$2,848,452

Triad Systems Corporation

1252 Orleans Drive
P.O. Box 61779
Sunnyvale, California 94088
(408) 734-9720

Officers: William W. Stevens, chairman of the board; James R. Porter, president & chief exec. officer; Shane E. Gorman, v.p. & gen. mgr.-Automotive Division; Stephen J. LaCommare, v.p.-manufacturing; Stanley F. Marquis, president-TSC Leasing Corporation; Thomas J. O'Malley, Jr., v.p.-administration; Ralph C. Montelius, v.p.-customer service; Robert L. West, group v.p.; Jerome W. Carlson, v.p.-finance, chief financial officer & treasurer; Bruce J. Hansen, v.p.-engineering; David M. Stout, v.p.-market planning.

Directors: William W. Stevens, chairman; Henry M. Gay, Anthony V. Carollo, Jr., James R. Porter, George O. Harmon.

Areas of Work: The corporation designs, manufactures, markets and services small business computer systems. These systems are fully packaged industry-specific for use by employees of small business with little or no previous computer experience. The systems are primarily marketed to automotive parts wholesalers, automotive warehouse distributors, retail hardware dealers, independent tire dealers, and dentists.

Divisions:

Retail Hardware Division
Automotive Division
Warehouse Systems Division
Dental Division
Customer Service Division
Information Services Division

Subsidiaries:

TSC Leasing Corporation

Triad Systems Canada, Ltd.
Toronto, Ontario
Canada

TRIDEX Systems, Ltd.
Ealing, London
England

Transfer Agent(s):

Bank of America NT & SA
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRSC (NASDAQ)

Number of Employees:

1985	1,450	1982	1,363
1984	1,531	1981	1,092
1983	1,367		

Plant Footage:

1985	117,000 sq. ft.	1982	150,000
1984	N.A.	1981	150,000
1983	N.A.		

N.A. - Not Available

Sales and Earnings

	Net Sales & Serv. Rev.	Net Income
1985	$ 107,278,000	$ (5,507)
1984	120,433,000	4,807,000
1983	90,831,000	2,142,000
1982	82,314,000	3,271,000
1981	78,391,000	8,683,000

	No. of Com. Shares #	Earn. per Share #
1985	7,440,000	$ —
1984	7,332,000	0.66
1983	7,365,000	0.29
1982	7,178,000	0.46
1981	6,413,000	1.35

(Loss)
Based on the weighted average number of common shares and common share equivalents outstanding

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$ 61,736,000	$ 8.30
1984	66,251,000	9.04
1983	60,632,000	8.23
1982	57,447,000	8.00
1981	28,141,730	4.39

Based on the weighted average number of common shares and common share equivalents outstanding

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales & serv. rev.	$ 107,278	$ 120,433
Cost of sales & serv.	63,757	63,228
Expenses:		
Marketing	35,340	36,872
Prod. develop.	8,717	10,921
Gen. & adm.	7,219	7,301
Interest expense	3,408	640
Income from nonconsol. subsid.	(5,060)	(5,527)
Special charges	2,610	—
Inc. (loss) bef. taxes	$ (8,713)	$ 6,998
Income taxes (credit)	(3,206)	2,191
Net Income (Loss)	$ (5,507)	$ 4,807

* Included in Costs and Expenses, Depreciation and Amortization: $8,414,000 in 1985 and $6,466,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & cash equiv.	$ 2,491	$ 2,636
Accts. receiv., net	7,889	20,354
*Inventories	17,112	27,245
Deferred inc. taxes	9,361	7,896
Prepaid expenses	2,317	1,603
Current Assets	$ 39,170	$ 59,734
Service parts	7,860	6,455
#Fixed assets	19,384	21,121
Invests & adv. to subsid.	30,940	25,880
Other assets	5,786	4,918
Land for resale	14,373	12,807
Total Assets	$ 117,513	$ 130,915

Liabilities
(000's)

Notes payable & long-term debt, curr.	$ 4,941	$ 9,701
Accts. payable	4,742	5,069
Accrued emp. comp.	5,924	6,869
Prod. warr. costs	633	1,107
Other curr. liab.	4,204	5,738
Curr. Liabilities	$ 20,444	$ 28,484
Long-term debt	9,680	8,517
Deferred inc. taxes	25,653	27,663
+ Common stock	36,964	36,108
Retained earnings	24,500	30,007
Translation adjust.	272	136
Total Liabilities & Shareholders' Equity	$ 117,513	$ 130,915

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.81
%Net Income to Sales	—	3.99
%Net Income to Equity	—	7.26
Sales to Inventories	6.27	4.42
Debt to Equity	0.24	0.27
Working Capital	$18,726,000	$31,250,000
Current Ratio	1.92	2.10
Shareholders' Equity	$61,736,000	$66,251,000

Trion, Inc.

P.O. Box 760
101 McNeill Road
Sanford, North Carolina 27331
(919) 775-2201

Trion, Inc.

Officers: Hugh E. Carr, president & chief executive officer; William P. Glaser, Daniel H. Kassick, vice presidents; Gary H. Cox, gen. sales mgr.-engineered products; J.M. Grant, managing director-Trion, Ltd.; John M. King, general sales manager-consumer products; Don F. Schreiner, director-planning; Robert L. Strouth, gen. mgr.-Trion Canada, Inc.; Roy G. Stephens, dir. of mfg.; J. Gary Waters, controller; Harold Feder, asst. treas.; Dorothy R. Howell, asst. sec.; Robert H. Petty, director of engineering.

Directors: Hugh E. Carr, Thomas P. Johnson, Seddon Goode, Jr., Grant R. Meyers, Robert K. Wagner, James E. Heins, Samuel J. Wornom, III.

Areas of Work: Engaged in the design, manufacture, and distribution of electrostatic precipitating equipment, primarily used in conjunction with central ventilating systems or as self-contained units to remove particulate matter from circulating air.

Divisions:

Tepco Division
Sanford, North Carolina
Electronic air cleaners.

Subsidiaries:

Trion Ltd. (90% owned)
Brunel Gate, West Portway Industrial Estate
Andover, Hampshire, England

Trion Canada, Inc.
Kitchener, Ontario

Trion GmbH
Kerpen-Tuernich, West Germany

Transfer Agent(s):

First Union National Bank
Charlotte, North Carolina

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TRON (NASDAQ)

Sales and Earnings

	Revenues	Net Income
1985	$ 25,995,000	$ 1,381,000
1984	20,802,000	1,550,000
1983	20,808,000	2,015,000
1982	18,522,000	1,537,000
1981	13,536,495	1,319,829

	No. of Com Shares #	Earn. per Share #
1985	3,233,242	$ 0.43
1984	3,220,659	0.48
1983	3,214,121	0.63
1982	3,194,796	0.48
1981	3,184,894	0.41

Based on the average number of common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend #	Stock Dividend	Stock Split
1985	$0.0975	—	—
1984	0.0875	—	—
1983	0.078	—	2-for-1
1982	0.066	—	3-for-2
1981	0.05	—	2-for-1

Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity ‡	Equity Per Share †
1985	$ 11,167,824	$ 3.45
1984	9,954,684	3.09
1983	8,737,684	2.71
1982	7,059,169	2.20
1981	5,809,716	1.82

‡ After allowing for preferred stock at a redemption value of $7 per share.
† Adjusted to reflect stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 25,856,000	$ 20,687,000
Other income	139,000	115,000
Total income	$ 25,995,000	$ 20,802,000
Cost of sales	16,595,000	13,101,000
Expenses	6,879,000	5,343,000
Income before taxes	$ 2,521,000	$ 2,358,000
Income taxes	1,140,000	808,000
Net Income	$ 1,381,000	$ 1,550,000

* Included in Costs and Expenses, Depreciation: $719,000 in 1985 and $423,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & cash equivalents	$ 408,000	$ 653,000
Accts. receiv., net	6,227,000	5,423,000
*Inventories	6,097,000	5,134,000
Prepaid expenses & other current assets	235,000	141,000
Current Assets	$ 12,967,000	$ 11,351,000
#Fixed assets	8,139,000	7,820,000
Total Assets	$ 21,106,000	$ 19,171,000

Liabilities

	1985	1984
Note payable	$ 1,351,000	$ 979,000
Accts. payable & accruals	2,333,000	2,198,000
Income taxes	301,000	175,000
Curr. Liabilities	$ 3,985,000	$ 3,352,000
Long-term debt	5,000,000	5,000,000
Deferred inc. taxes	882,000	786,000
+ Preferred stock	51,000	56,000
+ + Common stock	1,620,000	1,611,000
Add. paid-in capital	606,000	592,000
Retained earnings	9,105,000	8,042,000
Currency transl. adj.	(143,000)	(268,000)
Total Liabilities & Shareholders' Equity	$ 21,106,000	$ 19,171,000

* At lower of cost (FIFO or LIFO) or market.
# Less accumulated depreciation and amortization.
+ $5 par value; 5% cumulative.
+ + $0.50 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	9.75	11.40
%Net Income to Sales	5.34	7.49
%Net Income to Equity	12.29	15.45
Sales to Inventories	4.24	4.03
Debt to Equity	0.57	0.60
Working Capital	$ 8,982,000	$ 7,999,000
Current Ratio	3.25	3.39
Shareholders' Equity	$11,239,000	$10,033,000

TRW Inc.

1900 Richmond Road
Cleveland, Ohio 44124
(216) 383-2121

Officers: Ruben F. Mettler, chairman of the board & chief exec. officer; J.T. Gorman, president & chief operating officer; Charles R. Allen, exec. v.p. & chief financial officer; Richard A. Campbell, exec. v.p.; Robert M. Lynas, exec. v.p.-automotive worldwide; Bernard Blankenstein, group v.p.-steering components; Keith K. Dixon, group v.p.-automotive aftermarket; Edsel D. Dunford, group v.p.-space & technology; George C. Elliott, group v.p.-aircraft components; William G. Evans, group v.p.-energy products; Lester Hill, group v.p.-electronic components; Trevor O. Jones, group v.p.-automotive sales, marketing & planning; Chester O. Macey, group v.p.-engine components; James J. McCluskey, group v.p.-Asia/Pacific; Charles L. Miller, group v.p.-general components; Adolf Mueller, group v.p.-controls & fasteners; Earl F. Myerholtz, group v.p.-industrial products; Edward E. Noneman, group v.p.-operations & support; Robert L. North, group v.p.-electronic systems; George E. Solomon, exec. v.p.-electronics & defense; Richard D.C. Whilden, group v.p.-information systems; J.R. Burnett, v.p. & deputy gen. mgr.-electronics & defense; Edward N. Button, v.p.-investments; Martin A. Coyle, v.p., general counsel & secretary; Thomas J. Fay, v.p.-communications; John S. Foster, Jr., v.p.-science & technology; Stanley V. Intihar, v.p.-planning & development; Howard V. Knicely, v.p.-human relations.

Directors: Charles R. Allen, Ruben F. Mettler, Jack S. Parker, H. Guyford Stever, Alastair F. Down, W.H. Krome George, E. Bradley Jones, Charles T. Duncan, Martin Feldstein, William F. Kieschnick, William S. Kiser, Joseph T. Gorman, Robin W. Adam.

Areas of Work:

Car & Truck

A range of steering, engine, safety, hydraulic, chassis, electrical, electronic, and other parts for passenger cars, trucks, buses, farm machinery and off-highway vehicles, sold to original equipment manufacturers and a variety of replacement parts distributors.

Products include manual and power rack and pinion steering gears, occupant safety systems, engine valves, hydraulic motors, hydraulic truck and off-highway vehicle steering systems, suspension systems, electronic monitoring and control systems, and a service line of cars and trucks accessories, tools and car care products.

Electronics & Space Systems

Electronic components, including large-scale integrated circuits, capacitators, connectors, motors, resistors, semiconductors, inductors, power supplies, and optoelectronic products, used in the telecommunications, computer, instrumentation, and automotive industries.

Computer-based and analytical services, including software systems and analytical services for space and defense, and rapid prototyping software systems that allow customers to determine through computer modeling whether a software system will meet their needs before it is designed.

Electronic systems, equipment, and services for defense and space applications, related research and analysis, and maintenance and support services.

Spacecraft, including the design and manufacture of spacecraft and their subsystems and components, for defense, scientific research, and communications.

Information systems and services, including consumer credit information, real estate credit information, electronic equipment maintenance, and refurbishing of large mainframe computers.

Other

Pumps, valves, and energy services, including submergible electric pumping systems, solids control equipment, power cables, valves, pumps, pump parts and drilling tools for oil and gas exploration, production, pipeline transmission, and other industrial purposes. These products are distributed directly to end users and through independent distributors.

Divisions and Subsidiaries:

TRW Electronic Components Group
2525 East El Segundo Boulevard
El Segundo, California 90245
(213) 536-0600

Printed Circuit Division
200 South Turnbull Canyon Road
City of Industry, California 91749
(213) 333-1201

Products: Etched circuit boards, single, double-sided and multilayer circuits available with various hardware and heat sinks.

Active Components Division
2525 East El Segundo Blvd.
El Segundo, California 90245
(213) 535-1831

Products: A/D converters, D/A converters, multiplier-accumulators, shift registers and correlators.

Optoelectronics
1201 Tappan Circle
Carrollton, Texas 75006
(214) 242-6571
Products: Light-emitting diodes, photo sensors, optocouplers and assemblies.

RF Devices Division
14520 Aviation Boulevard
Lawndale, California 90260
(213) 536-0888
VHF and UHF microwave power transistors; linear amplifiers; lownoise transistors; power switching transistors; power amplifiers and darlingtons; doubleslug, avalanche, Schottky, and zener diodes.

LSI Products Division
4243 Campus Point Court
San Diego, California 92121
(619) 457-1000
Data converters, arithmetic products, and special processors.

TRW Connective Components
1501 Morse Avenue
Elk Grove Village, Illinois 60007
(312) 981-6010

Connector Division
1501 Morse Avenue
Elk Grove Village, Illinois 60007
(312) 981-6000
Products: Connectors, interconnection systems, IC sockets, relay sockets, and tube sockets, terminal strips, barrier blocks, and crimp terminals.

Cylindrical Connector Division
8821 Science Center Drive
New Hope, Minnesota 55428
(612) 537-1010
Aircraft and military cylindrical connectors.

TRW Electro Magnetic Components
380 West Palatine Road
Wheeling, Illinois 60090
(312) 537-1010

TRW Capacitor Division
301 West O Street
Ogallala, Nebraska 69153
(308) 284-3611
Products: Film, metalized film, and tantalum capacitors, molded diodes, rectifiers, and power transistors. Ceramic capacitors, film capacitors, voltage multipliers.

Motor Division
1554 Hayes Drive
Manhattan, Kansas 66502
(913) 776-0721
Products: DC permanent magnet and wound-field hysteresis and induction type motors and other motorized devices, including actuators, pumps, blowers and integral gear trains.

Inductive Products Division
380 West Palatine Road
Wheeling, Illinois 60090
(312) 541-0300
Products: Assemblies (AFC-pin cushion circuit, convergence circuit), coils (bobbin, color punty-convergence, IF or IFT, peaking, RF chokes, shielded IF, variable, insert molded), transformers (IF, RF, pin cushion correctors); yokes (color convergence).

TRW Resistive Products Division
401 North Broad Street
Philadelphia, Pennsylvania 19108
(215) 922-8900
Products: Resistors (carbon, metal film, wirewound fire-proof, flameproof); variable resistors (carbon and wirebound trimmers, rotary selector switches); and connectors (barriers, connectors, plugs and sockets).

TRW Datacom International Inc.

TRW Communications Group
Suite 1812
10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-6777

TRW Datacom Inc.
Suite 1812, 10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-9861
Worldwide sales and services for data processing, word processing, and communicationss equipment.

TRW Customer Service Division
15 Law Drive
Fairfield, New Jersey 07006
(201) 575-7110
Maintenance service for electronic equipment.

TRW Vidar Division
77 Ortega Avenue
Mountain View, California 94040
(415) 961-1000
Transmission systems for voice and data applications. Switching systems for telephone accounting management and control; digital switching systems for local and toll telephone switching offices.

TRW Systems & Energy

TRW Defense Systems Group
One Space Park
Redondo Beach, California 90278
(213) 536-1776

TRW Space & Technology Group
One Space Park
Redondo Beach, California 90278
(213) 535-3478

Applied Technology Division
One Space Park
Redondo Beach, California 90278
(213) 535-3478
Electro-optical and instrument systems, propulsion subsystems, high-energy lasers and laser technology, advanced payloads technology, and research in the physical sciences.

Defense Projects Division
One Space Park 92-2385
Redondo Beach, California 90278
(213) 535-4567
Management of special projects.

Program Management Division
One Space Park R5-2090
Redondo Beach, California 90278
(212) 535-1302
Management of major space systems programs and projects: new business development in space systems area including special projects, manned space systems, science and applications satellite systems, and communication satellite systems.

Spacecraft Engineering Division
One Space Park R4-2198
Redondo Beach, California 90278
(213) 535-2991
Engineering of spacecraft equipment and subsystems including structural, thermal, electric power, command and control, attitude control and spacecraft electromechanical and attitude sensor subsystems.

Test & Field Operations Division
One Space Park R4-2098
Redondo Beach, California 90278
(213) 535-2563
Spacecraft assembly and test, system test planning, ground support systems design and development, environmental test facilities, and launch and orbital operations.

TRW Electronic Systems Group
One Space Park
Redondo Beach, California 90278
(213) 536-2421

TRW Electronic Products, Inc.
3600 N. Nevada Avenue
Colorado Springs, Colorado 80907
(303) 475-0660
Digital and RF communications systems, multiplexers, signal processors, receivers, transmitters, and ac/dc converters for military application.

Military Electronics Division
One Space Park
Redondo Beach, California 90278
(213) 536-1187
Military communications and electronic warfare systems and subsytems for avionic, ground and shipborn applications.

Space Communication Division
One Space Park
Redondo Beach, California 90278
(213) 536-1306
Spacecraft electronics and communications systems, subsystems, and components.

TRW Energy Development Group
One Space Park
Redondo Beach, California 90278
(213) 535-1335

Energy Technology Division
One Space Park
Redondo Beach, California 90278
(213) 535-1680
Research and development in fossil, chemical and nuclear energy technologies and energy systems engineering. General chemical technology support services.

Major Programs Division
One Space Park
Redondo Beach, California 90278
(213) 536-3725
Coalbed Methane production, Heavy Oil and tar sands recovery, combustion systems and applied research.

TRW Microwave Products Inc.
825 Stewart Drive
Sunnyvale, California 94086
(408) 732-0880
Solid state microwave components for military and commercial communications and avionics.

Spacecraft Engineering Division
One Space Park
Redondo Beach, California 90278
(213) 535-2991
Spacecraft design fabrication, integration, test and launch activities. Systems engineering of communication and scientific spacecraft systems including ground stations.

ESL Incorporated
495 Java Drive
Sunnyvale, California 94086
(408) 743-6171
Design and development of data systems for communications and defense applications.

TRW Ballistic Missiles Division
P.O. Box 1310
San Bernardino, California 92402
(714) 382-5175
Minuteman and MX Programs.

Software & Information Systems Division
One Space Park
Redondo Beach, California 90278
(213) 536-3525
Systems for mission data processing, mission planning and control, and for electronic information systems.

Systems Engineering & Applications Division
7600 Colshire Drive
McLean, Virginia 22102
(703) 734-6200
Systems engineering and technical support services in the fields of antisubmarine warfare; undersea surveillance; command, control, and communications; and logistics.

Systems Engineering & Development Division
One Space Park
Redondo Beach, California 90278
(213) 217-3003
Systems for tactical data fusion; command, control and communications; avionics; and laser applications; and for hardness and survivability engineering, high energy electronic and mechanical design, and ground systems engineering.

TRW Equipment Group
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-2121

Compressor Components
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 692-5200

Forging and machining jet engine compressor components, steam turbine blading and heavy-duty gas turbine blading.

Turbine Airfoils
1400 North Cameron Street
Harrisburg, Pennsylvania 17105
(717) 255-3400

Forging and machining turbine blades and vanes for aircraft engines, stationary gas and steam turbine engines, industrial power and marine engines. Refurbishment of aircraft and land based turbine engine components. Precision investment castings for use in aircraft engines and airframes, gas and steam turbines, industrial, marine and vehicular turbines, and high performance super-alloys for operation in corrosive or extreme temperature environments. Ceramic materials and preformed ceramic cores for investment casting industry; quartz crucibles and quartz rods and tubes. New investment casting process development.

TRW Power Accessories
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 692-5300

Design, development, manufacture, assembly and test of aircraft and engine fuelpumps, accessories, underwater propulsion systems, control rod drive mechanisms and structural components for nuclear reactors.

TRW Materials & Manufacturing
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 383-3147

Research, development and engineering in materials, products and processes. Metallurgical and chemical services.

Castings Division
P.O. Box 250
3860 Union Avenue, S.E.
Minerva, Ohio 44657
(216) 868-6441

Precision investment castings for gas turbine aircraft engines, gas turbine, industrial and marine vehicular turbines, and high-performance superalloys for operation in corrosive and extreme temperature environments.

Ceramics Division
23555 Euclid Avenue
Cleveland, Ohio 44117
(216) 692-5400

Ceramic materials and preformed ceramic cores for investment castings serving the aircraft industry; electronic-grade quartz crucibles, quartz rods and quartz tubes for high-alloy investment casting industry, final finishing of ceramic cores.

Hartzell Propeller Products
1800 Covington Avenue
Piqua, Ohio 45356
(513) 778-4210

Design, development and manufacture of aircraft propeller assemblies, propeller governors and tachometers.

TRW Industrial & Replacement:

TRW Energy Products Group
30050 Chagrin Boulevard
Cleveland, Ohio 44124
(216) 292-1100

Brandt Solids Control Division
P.O. Box 22368
3100 Weslayan, Suite 400
Houston, Texas 77227

A complete line of solids control equipment for the petroleum drilling industry. Applications include the cleaning of drilling fluids and gas separation for both on shore and offshore use.

Oilwell Cable Division
P.O. Box 945
2400 Packer Road
Lawrence, Kansas 66044
(913) 841-5610

Electric cable for powering submergible oil pumps.

TRW Subsea Petroleum Systems Inc.
3673 West Center Drive
Houston, Texas 77042
(713) 978-6666

Engineering and manufacture of hydraulic and electrohydraulic control systems for subsea oil production and drilling operations. System engineering, integration, and analysis for subsea production completion.

TRW Pleuger
A Division of TRW
P.O. Box 989
Statesville, North Carolina 28677
(800) 872-2468

Multistage submersible pumps with directly-coupled water lubricated motors for municipal, industrial and agricultural water supply; large capacity axial flow pumps for water level control system, flood control, dewatering applications and power plants; maneuvering equipment for ships and thruster equipment for dynamic positioning of ships. Submersible motors for marine technology applications.

Mission Drilling Products Division
P.O. Box 40420
Houston, Texas 77240
(713) 460-6200

Provides products and services for the oil/gas exploration and production market.

Reda Pump Co.
P.O. Box 1181
Fourth and Dewey
Bartlesville, Oklahoma 74005
(918) 661-2000

A complete line of submergible electrically driven, multistage centrifugal pumps.

United-Carr Division of TRW Canada Limited
455 Arvin Avenue
Stoney Creek, Ontario, Canada L8G 3Y4
(416) 664-4401

Relays, timing devices, electromechanical assemblies, combination locks, deep draw metal parts and stampings.

TRW Information Services
505 City Parkway West
Orange, California 92668
(714) 937-2000

TRW Information Services
505 City Parkway West
Orange, California 92668
(714) 937-2000

Provides consumer and commercial credit reporting services on a nationwide basis to credit-granting organizations. Markets a broad range of information services to the real estate and financial industries.

HW Systems
16134 Hart Street
Van Nuys, California 91406
(213) 988-1830

Computerized on-line access to title, tax, and real property information to title companies and lending institutions.

TRW Operations & Support Group
One Space Park
Redondo Beach, California 90278
(213) 535-1655

Administrative Services Division
One Space Park
Redondo Beach, California 90278
(213) 536-1035

Facilities management; administrative operations; material procurement and management, and security, safety, and health management services.

Financial & Data Services Division
One Space Park
Redondo Beach, California 90278
(213) 535-0498

Management systems, information processing, accounting services and financial planning activities.

Manufacturing Division
One Space Park
Redondo Beach, California 90278
(231) 535-6460

Mechanical and electronic manufacturing activities for Defense Systems Group, Electronic Systems Group, Space & Technology Group, and Energy Development Group.

Threading Tools Division
Sanderson Street
Greenfield, Massachusetts 01301
(413) 773-3611

Greenfield Plant
Sanderson Street
Greenfield, Massachusetts 01301
(413) 773-3611

Greenfield brand high-speed and carbon taps and dies and precision gauges.

New Haven Plant
Blake and Valley Streets
New Haven, Connecticut 06515
(203) 387-2525

Geometric thread-cutting die heads, collapsible and solid adjustable taps, chasers, thread rolling heads, and annular dies.

TRW Industrial Products Group
30050 Chagrin Boulevard
Cleveland, Ohio 44124
(216) 292-1100

Bearings Division
402 Chandler Street
Jamestown, New York 14701
(716) 661-2600

MRC brand ball bearings, roller bearings and specialty steel balls for passenger cars, trucks, tractors, off-the-road machinery, power transmission machinery, office machines, computers, machine tools, electric motors, jet engines, nuclear power and other industrial applications.

Carbide Division
P.O. Box 9
205 North 13th Street
Rogers, Arkansas 72756
(501) 636-1515

Bentonville Plant
P.O. Box 488
1602 East Central
Bentonville, Arkansas 72712
(501) 636-1515

Wendt-Sonis brand carbide-tipped and solid carbide drills, reamers, end mills, milling cutters.

Rogers Plant
P.O. Box 9
205 North 13th Street
Rogers, Arkansas 72756
(501) 636-1515

Wendt-Sonis brand carbide inserts and blanks, tool holders, wear parts, mining compacts, and basic carbide powders.

Drill & End Mill Division
P.O. Box 2587
Augusta, Georgia 30913
(404) 863-7708

Augusta Plant
P.O. Box 2587
470 Old Evans Road
Augusta, Georgia 30913
(404) 863-7708

Chicago-Latrobe brand and private label high speed drills, reamers and countersinks. Putnam brand high-speed end mills.

Clemson Plant
P.O. Box 872
Clemson, South Carolina 29631
(803) 654-4922

Chicago-Latrobe brand and private label high-speed drills.

Detroit Plant
2981 Charlevoix Avenue
Detroit, Michigan 48207
(313) 579-2219

Putnam brand high-speed end mills.

Hand Tools Division
400 Vulcan Street
Buffalo, New York 14207
(716) 875-3200

Buffalo Plant
400 Vulcan Street
Buffalo, New York 14207
(716) 875-3200

Williams brand wrenches, sockets and accessories, c-clamps, hoist hooks, eye bolts, machine shop tools, commercial forgings and extrusions.

Columbus Plant
6969 Jamesson Road
Columbus, Georgia 31904
(404) 563-9590

Williams brand socket wrenches, accessory drive tools and cold steel extrusions.

Vulcan Tools
2300 Kenmore Avenue
Buffalo, New York 14207
(716) 873-5150

Mobil dealer sales of 3,000 items used in automotive aircraft, marine service and related fields, including Vulcan brand wrenches and hand tools, electric and pneumatic power tools, wheel aligning equipment, battery chargers, tune-up equipment and similar items.

TRW Automotive Aftermarket Group
30000 Aurora Road
Solon, Ohio 44139
(216) 292-8813

Niehoff Automotive Products Division
4925 W. Lawrence Avenue
Chicago, Illinois 60630
(312) 283-3400

Automotive ignition wire and cable and brake parts for the replacement markets. Heavy-duty brushless alternators for original equipment and replacement markets.

Replacement Parts Division
8001 East Pleasant Valley Road
Cleveland, Ohio 44131
(216) 447-1879

National distribution of TRW automotive replacement parts for passenger cars, heavy and light trucks and industrial applications. Sales through warehouse distributors and jobbers, mass merchandisers, private brand accounts, and specialty outlets, including railroad, gas and oil transmission industries.

TRW Chassis Components Group
30000 Aurora Road
Solon, Ohio 44139
(216) 292-8807

Steering & Suspension Division
34201 Van Dyke Avenue
Sterling Heights, Michigan 48077
(313) 977-1000

Steering linkage, suspension ball joints and assemblies, manual and power rack and pinion steering gears.

TRW Engine Components Group
30000 Aurora Road
Solon, Ohio 44139
(216) 292-8804

Ramsey Corporation
1233 Manchester Road
Manchester, Missouri 63011
(314) 394-3700

Piston rings and industrial retaining rings.

Valve Division
1455 East 185th Street
Cleveland, Ohio 44110
(216) 383-2121

Engine valves, valve seat inserts, valve retainers, valve retainer locks, valve rotating mechanisms, and forged pistons.

Transfer Agent(s):

TRW Inc.
Cleveland, Ohio

Morgan Guaranty Trust Company of New York
New York, New York

Stock Exchange(s): New York, Midwest, Pacific, Philadelphia. The Stock Exchange of Great Britain and Ireland, Frankfurt.

Ticker Symbol: TRW

Number of Employees:

1985	93,186	1982	85,099
1984	93,524	1981	91,941
1983	88,374		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 5,917,000	$ (7,088)
1984	5,369,000	266,842
1983	4,840,000	205,160
1982	4,451,000	196,260
1981	4,512,000	229,000

	No. of Com. Shares	Earn. per Share #
1985	29,029,000	$ —
1984	36,812,000	7.14
1983	36,360,000	5.53
1982	35,330,000	5.49
1981	33,257,000	6.60

+ Of continuing operations only.
# Based on the weighted average number of common shares and common stock equivalents.

Revenues By Line of Business
(000's)

	1985	1984
Car & truck:		
Orig. equip.	$ 1,693,000	$ 1,533,000
Replacement equip.	454,000	517,000
Electronics & space systems:		
Computer-based & analytical serv.	906,000	756,000
Electronic systems, equip. & serv.	877,000	773,000
Spacecraft	765,000	620,000
Electronic components	458,000	484,000
Information syst. & service	338,000	271,000
Other	426,000	415,000
Total	$ 5,917,000	$ 5,369,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$3.00	—	—
1984	2.85	—	—
1983	2.65	—	—
1982	2.55	—	—
1981	2.35	—	—

Common Stock Equity

	Total Equity †	Equity Per Share
1985	$ 985,915,000	$ 33.96
1984	1,721,871,000	46.79
1983	1,573,367,000	43.28
1982	1,459,000,000	41.28
1981	1,322,000,000	39.74

† After allowing for serial preference stock II at aggregate involuntary liquidation price.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 5,917,243	$ 5,368,914
Other income	47,367	71,888
Total Income	$ 5,964,610	$ 5,440,802
Cost of sales	4,585,954	4,071,511
Expenses	928,257	838,640
Interest expense	76,687	56,328
Other expenses	27,625	18,217
Unusual items	110,882	20,541
Income before taxes	$ 235,205	$ 435,565
Income taxes	101,476	186,217
Inc. - cont. oper.	$ 133,729	$ 249,348
Inc. (loss) - discont. oper.	(140,817)	17,494
Net Income (Loss)	$ (7,088)	$ 266,842

* Included in Costs and Expenses, Depreciation: $227,319,000 in 1985 and $187,611,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & market. secur.	$ 63,874	$ 82,885
Accts. receiv., net	851,066	825,376
*Inventories	518,904	527,613
Prepaid expenses	35,068	29,504
Refund. inc. taxes	48,700	—
Deferred inc. taxes	166,277	—
Current assets	$ 1,683,889	$ 1,465,378
#Fixed assets	1,446,200	1,217,198
Other assets	215,651	187,099
Intangibles	205,661	183,330
Assets of discont. oper.	184,017	334,044
Total Assets	$ 3,735,418	$ 3,387,049

Liabilities
(000's)

Short-term debt	$ 501,756	$ 97,920
Long-term debt, curr.	30,661	70,327
Accts. payable	293,737	217,775
Accruals	588,187	483,289
Income taxes	14,987	81,013
Deferred inc. taxes	—	43,052
Curr. Liabilities	$ 1,429,328	$ 993,376
Long-term liab.	77,100	—
Long-term debt	697,964	255,482
Minority interest	8,330	3,683
Deferred inc. taxes	507,781	375,637
+ Serial preference II	1,341	1,714
+ + Common stock	36,286	46,015
Add. paid-in capital	155,334	224,712
Retained earnings	930,080	1,582,764
Cumulative trans. adjust.	(43,793)	(76,236)
Treasury stock	(64,333)	(20,098)
Total Liabilities & Shareholders' Equity	$ 3,735,418	$ 3,387,049

* At lower of cost (36% in 1985 & 44% in 1984 at LIFO; remainder at FIFO) or market.
# Less accumulated depreciation.
+ $2.75 stated value.
+ + $1.25 par value.

Statistical Summary

%Net Income to Equity	—	15.17
Sales to Inventories	11.40	10.18
Debt to Equity	1.21	0.24
Working Capital	$ 254,561,000	$ 472,002,000
Current Ratio	1.18	1.48
Shareholders' Equity	$1,014,915,000	$1,758,871,000

Tyco Laboratories, Inc.

Tyco Park
Exeter, New Hampshire 03833
(603) 778-7331

Officers: John F. Fort, chairman of the board, president & chief exec. officer; Joshua M. Berman, secretary; John J. Guarnieri, treasurer; Irving Gutin, v.p. & gen. counsel; Richard D. Power, v.p.-finance; James T. Gard, v.p.-

operations; William A. Hartley, v.p.-tax counsel; John D. Ryder, controller.

Directors: John F. Fort, Joshua M. Berman, Philip M. Hampton, Robert A. G. Monks, Stephen W. Foss, Richard B. Nichols, W. C. Westmoreland.

Areas of Work: Manufactures fire protection systems, precision printed circuit boards in one-sided, two-sided and multilayer configurations for computers and telecommunications; underwater communications and power cable; vacuum metalized plastic films; polyethylene film and plastic products; deep-drawn metal parts for writing instruments.

Divisions and Subsidiaries:

Fire Protection & Safety

Grinnell Fire Protection Systems Co., Inc.
10 Dorrance Street
Providence, Rhode Island 02903
(401) 456-5600

Electronic & Electrical Components Group

Atlantic Coast Electronics Division
2681 Northeast 4th Avenue
Pompano Beach, Florida 33064
(305) 943-7300

Atlantic Backplane Co.
Fort Lauderdale, Florida

Tyco Backplane Company
Stafford, Connecticut

Saphikon Division
51 Powers Street
Milford, New Hampshire
(603) 673-5831

Tyco Printed Circuit Group
Stafford, Connecticut

North American Printed Circuit Division
Stafford, Connecticut

Simplex Wire and Cable Company
P.O. Box 479
Portsmouth, New Hampshire
(603) 436-6100

Piedmont Circuits Division
P.O. Box 905
Creedmoor, North Carolina 27522
(919) 528-2525

Packaging & Consumer Materials

Accurate Forming Division
Walkill Road
P.O. Box 278
Hamburg, New Jersey 07419
(201) 827-7155

Armin Corporation
301 West Side Avenue
Jersey City, New Jersey 07305
(201) 432-8032

Ludlow Corporation
105 Rosemary Street
Needham Heights, Massachusetts
(617) 444-4900

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York

Ticker Symbol: TYC

Number of Employees:

1985	7,000	1982	7,470
1984	7,141	1981	5,430
1983	7,135		

Plant Footage:

1985	3,643,000 sq. ft.	1982	3,974,000
1984	4,048,000	1981	2,015,000
1983	3,794,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 673,932,000	$ 35,105,000
1984	650,064,000	30,095,000
1983	573,930,000	21,475,000
1982	552,160,000	23,200,000
1981	360,873,000	22,519,000

	No. of Com. Shares +	Earn. per Share #
1985	9,620,397	$ 3.73
1984	10,247,311	3.22
1983	9,060,408	2.47
1982	8,764,128	2.56
1981	9,344,612	2.69

+ Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Fire protection & safety	$ 211,278,000	$ 210,517,000
Electronics & electrical	164,491,000	125,644,000
Consumer materials & electronic products	298,163,000	313,903,000
Total	$ 673,932,000	$ 650,064,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.775	—	—
1984	0.70	—	—
1983	0.70	—	—
1982	0.70	—	2-for-1
1981	0.60	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 192,540,000	$ 20.01
1984	184,583,000	18.01
1983	156,672,000	17.29
1982	136,859,000	15.62
1981	126,313,000	13.52

+ Adjusted to reflect stock split.

Income Account *

Year ended May 31	1985	1984
Net sales	$ 673,932,000	$ 650,064,000
Other income	4,568,000	3,980,000
Total Income	$ 678,500,000	$ 654,044,000
Cost of sales	525,935,000	513,056,000
Expenses	89,142,000	85,288,000
Interest expense	2,797,000	6,883,000
Income before taxes	$ 60,626,000	$ 48,817,000
Income taxes	25,521,000	18,722,000
Net Income	$ 35,105,000	$ 30,095,000

* Included in Costs and Expenses, Depreciation and Amortization: $20,997,000 in 1985 and $19,073,000 in 1984.

Assets

As of May 31	1985	1984
Cash	$ 5,131,000	$ 14,407,000
Investments	22,197,000	10,646,000
Receiv., net	96,020,000	102,101,000
Insurance claim receiv.	9,766,000	—
Contracts in process	9,894,000	8,497,000
*Inventories	67,076,000	91,836,000
Prepaid expenses	2,395,000	1,712,000
Current Assets	$ 212,479,000	$ 229,199,000
#Fixed assets	117,649,000	142,390,000
Intangibles	7,943,000	8,155,000
Other assets	7,603,000	7,195000
Total Assets	$ 345,674,000	$ 386,939,000

Liabilities

Loans payable	$ 1,630,000	$ 1,922,000
Accts. payable	36,585,000	41,656,000
Accruals	37,597,000	39,631,000
Contracts in process	5,694,000	5,386,000
Income taxes	11,489,000	19,476,000
Deferred income taxes	13,374,000	13,432,000
Other liab.	9,167,000	8,179,000
Curr. Liabilities	$ 115,536,000	$ 129,682,000
Long-term debt:		
Loans payable	—	36,000,000
Deferred earn-out liability	—	4,049,000
Industrial rev. bonds	15,798,000	18,702,000
Deferred inc. taxes	21,800,000	13,923,000
+Common stock	4,810,000	5,123,000
Add. paid-in capital	22,189,000	41,198,000
Retained earnings	165,541,000	138,262,000
Total Liabilities & Shareholders' Equity	$ 345,674,000	$ 386,939,000

* At lower of cost (primarily FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	9.00	7.51
% Net Income to Sales	5.21	4.63
% Net Income to Equity	18.23	16.30
Sales to Inventories	10.05	7.08
Working Capital	$ 96,943,000	$ 99,517,000
Current Ratio	1.84	1.77
Shareholders' Equity	$192,540,000	$184,583,000

Tylan Corporation

23301 South Wilmington Avenue
Carson, California 90745
(213) 518-3610

Officers: Charles F. Drexel, chairman of the board & president; William E. Standring, Jr., exec. v.p. & secretary; Klaus K. Schuegraf, v.p. & director of technology; John L. Olson, v.p-finance; Terry S. Mercer, v.p. & gen. mgr.-Equipment Division.

Directors: Charles F. Drexel, chairman; William E. Standring, Jr., Roy J. Brown, Edward F. Phillippi, Jr., Roy L. Rogers, John D. Hussey, Richard Campbell.

Business Activities: The company manufactures production equipment used in the semiconductor industry for processing silicon wafers. Products include microprocessor control systems which provide diverse control functions for several diffusion furnaces from a central location, mass flowmeters, gas blenders, as well as complete diffusion furnaces.

Subsidiaries:

Tylan GmbH
Munich, West Germany

Tylan S.A.R.L.
Lyon, France

Tylan, U.K. Ltd.
Swindon, United Kingdom

Tylan, Israel
Hod-Hasharon, Israel

Joint Venture:

Nippon Tylan Corporation
Tokyo, Japan

Acquisition(s):

Microsensor Technology, Inc.
Designs and manufactures proprietary gas chromatographs and gas detection instrumentation.

Transfer Agent(s):

Bank of America NT & SA
Corporate Agency Services Center
555 South Flower Street
Los Angeles, California 90071

Stock Exchange(s): Over-the-Counter

Ticker Symbol: TYLN (NASDAQ)

Number of Employees:

1985	280	1983	325
1984	N.A.	1982	285

Sales and Earnings

	Net Sales	Net Income
1985	$ 33,185,000	$ 2,224,000
1984	23,780,000	1,150,000
1983	18,511,000	812,000
1982	18,214,000	1,019,000
1981	18,340,000	1,853,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	2,053,000	$ 1.08
1984	2,053,000	0.56
1983	2,047,000	0.40
1982	2,010,000	0.51
1981	1,992,000	0.93

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 15,269,000	$ 7.44
1984	12,987,000	6.33
1983	11,685,000	5.71
1982	10,987,000	5.47
1981	9,954,000	5.00

‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 33,185,000	$ 23,780,000
Cost of sales	19,468,000	13,829,000
Expenses	10,971,000	9,041,000
Interest expense	983,000	416,000
Other income	(407,000)	(441,000)
Eq. in inc. of joint venture	(806,000)	(524,000)
Income before taxes	$ 2,976,000	$ 1,459,000
Income taxes	752,000	309,000
Net Income	$ 2,224,000	$ 1,150,000

* Included in Costs and Expenses, Depreciation and Amortization: $763,000 in 1985 and $581,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 414,000	$ 339,000
Accts. rec., net	8,123,000	8,593,000
*Inventories	12,783,000	10,124,000
Prepaid expenses	251,000	572,000
Current Assets	$ 21,571,000	$ 19,628,000
#Fixed assets	5,505,000	3,354,000
Invest. in joint venture	2,713,000	2,003,000
Other assets	893,000	389,000
Total Assets	$ 30,682,000	$ 25,374,000

Liabilities

Revolv. line of credit	$ 2,541,000	$ 2,044,000
Long-term debt, curr.	380,000	48,000
Accts. payable	1,962,000	1,921,000
Accrued payroll	2,284,000	2,021,000
Income taxes	629,000	—
Curr. Liabilities	$ 7,796,000	$ 6,034,000
Long-term debt	6,866,000	5,623,000
Deferred inc. taxes	751,000	730,000
+ Common stock	3,974,000	3,783,000
Retained earnings	11,615,000	9,391,000
Cum. trans. adj.	(320,000)	(187,000)
Total Liabilities & Shareholders' Equity	$ 30,682,000	$ 25,374,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	8.97	6.14
%Net Income to Sales	6.70	4.84
%Net Income to Equity	14.57	8.86
Sales to Inventories	2.60	2.35
Debt to Equity	0.47	0.44
Working Capital	$13,775,000	$13,594,000
Current Ratio	2.77	3.25
Shareholders' Equity	$15,269,000	$12,987,000

UMC Electronics Co.

(Operating under Chapter 11 of the U.S. Bankruptcy Code)

460 Sackett Point Road
North Haven, Connecticut 06473
(203) 288-7731

Officers: James C. Leu, president and treasurer; Victor A. Stancliff, chairman of the board; Ogden W. Sutro, chairman of the executive committee; Edward G. McHugh, senior vice president; Philip W. Lohman, v.p.-marketing; John W. Hogan, Jr., secretary; Rocco V. Mariano, vice president-engineering; Edmund L. Bellin, asst. secretary.

Directors: Victor A. Stancliff, chairman; Ogden W. Sutro, John W. Hogan, Jr., Chester A. Barrett, James P. Rybeck, James C. Leu, P W. Lohman, William M. Lynch.

Areas of Work: Engaged in the manufacture, assembly, and distribution of electrical and hydraulic aircraft and vehicular testing equipment, electrical motors, cartridge tape equipment, and a variety of pressure, flow, dust and liquid level sensing devices.

Divisions:

United Division
Components Division
460 Sackett Point Road
North Haven, Connecticut 06473
(203) 288-7731

Subsidiary:

Precision Sensors, Inc.
Milford, Connecticut

Transfer Agent(s):

Union Trust Co.
300 Main Street
Stamford, Connecticut 06904

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	73

Plant Footage:

1985	47,000 sq. ft.

Sales and Earnings

	Revenues	Net Income
1985	$ 6,658,771	$ (4,242,733)
1984	7,698,121	(1,404,381)
1983	6,507,109	(127,340)
1982	11,511,517	394,963
1981	8,638,928	416,691

	No. of Com. Shares +	Earn. per Share +
1985	1,187,385	$ —
1984	1,187,234	—
1983	1,170,792	—
1982	1,124,033	0.35
1981	1,115,139	0.37

(Loss)
+ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Revenues By Line of Business

	1985	1984
Testing equipment	$ 2,688,691	$ 4,452,694
Components prods.	3,970,080	3,245,427
Total	$ 6,658,771	$ 7,698,121

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	10%	—
1982	—	—	5-for-4
1981	—	10%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ (3,491,870)	$ —
1984	1,008,006	0.85
1983	2,482,359	2.12
1982	2,336,815	2.08
1981	1,984,024	1.78

(Deficiency)
† Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net revenues	$ 6,658,771	$ 7,698,121
Cost of revenues	6,146,181	6,936,359
Expenses	2,324,607	2,009,249
Research & development	77,303	254,668
Loss on term. contracts		
Loss on dispos. -	984,319	—
discont. oper.	997,483	—
Interest expense	368,669	264,026
Other expense	2,942	24,410
Loss before taxes	$ (4,242,733)	$ (1,741,771)
Tax credit	—	(337,390)
Net Loss	$ (4,242,733)	$ (1,404,381)

* Included in Costs and Expenses, Depreciation and Amortization: $218,256 in 1985 and $198,222 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 49,673	$ 71,531
Accts. receiv., net	849,041	1,094,818
Recov. inc. taxes	—	80,412
*Inventories	747,421	3,751,176
Prepaid expenses	871,153	244,742
Current Assets	$ 1,733,288	$ 5,242,679
Assets of discont. oper.	410,000	—
#Fixed assets	693,193	1,159,818
Goodwill	21,410	22,034
Other assets	22,302	29,098
Patents	4,307	5,303
Total Assets	$ 2,884,500	$ 6,458,932

Liabilities

Notes payable	$ 2,884,462	$ 2,697,000
Long-term debt, curr.	5,310	3,623
Oblig. of emp. stk. plan	257,143	—
Accts. payable	1,280,679	2,294,713

Accruals & taxes	370,569	227,960
Deferred taxes	144,192	209,798
Advance on contracts	1,171,183	—
U.S. progress payments	—	—
Curr. Liabilities	$ 6,113,538	$ 5,433,094
Long-term liabilities	262,832	17,832
+Common stock	949,909	949,909
Add. paid-in capital	1,620,975	1,620,975
Retained earnings (deficit)	(5,805,611)	(1,562,878)
Emp. stock owner. plan	(257,143)	—
Total Liabilities & Shareholders' Equity	$ 2,884,500	$ 6,458,932

* At cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ No par value.

The Unimax Corporation

54 East 64th Street
New York, New York 10021
(212) 755-8800

Officers: Arthur L. Carter, chairman of the executive committee; Tom Scheinman, president & chief exec. officer; Jules Martinez, sr. v.p.; John D. Sicher, Jr., v.p. & general counsel; Richard S. Wiesenthal, exec. v.p.; Seymour Hertz, secretary, Peter Giosa, v.p.; Peter J. Hertel, treasurer.

Directors: Arthur L. Carter, Tom Scheinman, Jules Martinez, Richard S. Wiesenthal, Peter Giosa, S. Marcus Finkle, John Halpern, Peter Hertel, William Lerner, Mark Kaplan, John D. Sicher, Jr.

Areas of Work: Engaged principally in the manufacture and sale of electrical components; in graphic arts business (photoengraving, lithography and typography and gravure); in the manufacture and sale of metal products (principally springs).

Divisions and Subsidiaries:

Electrical Components Group

Unimax Switch Corporation
Ives Road
Wallingford, Connecticut 06492

Ward Leonard Electric Co., Inc.
31 South Street
Mt. Vernon, New York 10550

Unimax Switch Limited
Maidenhead, England

Metal Products Manufacturing Group

Lee Spring Company, Inc.
1462 62nd Street
Brooklyn, New York 11219

Graphics Group

Master-Eagle Photoengraving Corp.
Craftsman Color Lithographers, Inc.
The Type Group Inc.
Intaglio Service Company of New York City

All At:

40 West 25th Street
New York, New York 10010

Stock Exchange(s): American, Pacific, Phil. (Bonds only)

Sales and Earnings

	Revenues †	Net Income ‡
6/30/84x	$ 61,076,200	$ (316,400)
8/31/83	65,278,200	(11,200)
8/31/82	67,375,900	(5,444,300)
8/31/81	65,042,500	1,097,400
8/31/80*	44,671,800	838,100

	No. of Com. Shares +	Earn. per Share ‡ +
6/30/84x	949,577	$ —
8/31/83	949,577	—
8/31/82	949,577	—
8/31/81	946,347	0.94
8/31/80*	935,985	0.75

(Loss)
x 10 months.
* 8 months.
† Of continuing operations only.
‡ Including extraordinary gains of $132,300 ($0.14 per share) in 1983, $681,000 ($0.72 per share) in 1982, $749,200 ($0.79 per share) in 1981 and $140,700 ($0.31 per share) in 1980.
+ Based on the average number of shares outstanding adjusted to reflect reverse stock split.

Revenues By Line of Business

	1984	1983
Electrical components group	$ 32,290,000	$ 34,836,000
Metal products mfg. group	10,776,000	10,382,000
Graphics group	18,010,000	20,060,000
Total	$ 61,076,000	$ 65,278,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
6/30/84	—	—	—
8/31/83	—	—	—
8/31/82	—	—	1-for-2

Income Account

Year ended	10/30/84 (10 months)	8/31/83
Revenues	$ 61,076,200	$ 65,278,200
Cost of sales	38,883,000	41,792,800
Expenses	16,331,200	16,863,200
Interest & debt expense	3,005,900	3,540,000
Depreciation and amortization	2,288,300	2,389,700
Other expense	859,700	982,800
Loss before taxes	$ (291,900)	$ (290,300)
Income taxes (credit)	24,500	(146,800)
Net (Loss)	$ (316,400)	$ (143,500)
Extraord. gain	—	132,300
Net Loss & extraordinary gain	$ (316,400)	$ (11,200)

Assets

As of	1984	1983
Cash	$ 1,097,200	$ 900,700
Accts. & notes receiv., net	12,232,800	10,719,700
*Inventories	13,312,400	13,026,200
Prepayment & other assets	670,500	793,200
Current Assets	$ 27,312,900	$ 25,439,800
Investments	698,200	706,800
Note receivable	500,000	1,000,000
#Fixed assets	15,196,700	15,158,200
Intangibles	6,669,200	6,702,200
Deferred charges	1,961,400	1,783,200
Other assets	92,200	103,000
Total Assets	$ 52,430,600	$ 50,893,200

Liabilities

Notes & revolving loans	$ 3,860,000	$ 3,309,700
Long-term debt, curr.	997,800	775,600
Cap. lease oblig., curr.	339,300	395,100
Accts. payable & accruals	7,795,300	6,354,400
Other liabilities	1,347,100	1,169,100
Curr. Liabilities	$ 14,339,500	$ 12,003,900
Long-term debt	7,699,200	7,981,700
Cap. lease oblig.	1,112,600	1,053,200
Other liabilities	425,300	377,600
Conv. subord. debt	15,630,300	15,806,300
+Preferred stock: Series A	1,055,200	1,055,200
++Common stock	1,469,000	1,469,000
Add. paid-in capital	28,136,500	28,136,500
Eq. adjust. for curr. trans.	(514,300)	(383,900)
Deficit	(15,266,400)	(14,950,000)
Treasury stock	(1,656,300)	(1,656,300)
Total Liabilities & Shareholders' Equity	$ 52,430,600	$ 50,893,200

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $3 par value.
+ + $1.50 par value.

Statistical Summary

Sales to Inventories	4.59	5.01
Working Capital	$12,973,400	$13,435,900
Current Ratio	1.90	2.12
Shareholders' Equity	$13,223,700	$13,670,500

United Aircraft Products, Inc.

Dayton International Airport
P.O. Box 90007
Dayton, Ohio 45490
(513) 898-1811

Officers: Maury L. Spanier, chairman of the board & chief executive officer; Milton S. Cohn, chairman of the executive committee; Nick G. Harris, president & chief operating officer; Henry Cozzolino, v.p.-marketing; Robert R. Pfouts, v.p.-engineering; Carl E. Simmons, v.p.- & president - Industrial Microwave Corporation; Charles A. Gockel, Jr., v.p. & treasurer; John F. Unger, v.p.-manufacturing; Carolyn J. Allen, secretary.

Directors: Benjamin Alpert, Bertram H. Bloch, Milton S. Cohn, Norman I. Schafler, Maury L. Spanier, Nick G. Harris, Marvin J. Kirsten, Albert J. Rosenthal, Donald W. Thomas.

Areas of Work: Engaged in the design, development and manufacture of products for companies in the aerospace industry, with special emphasis upon thermal control systems, heat exchangers, oil system reservoirs, and related equipment. Products include vapor and air cycle refrigeration systems, expendable refrigerant systems, electronic cooling systems, liquid chillers, dehumidifiers, water separators and liquid cooling systems; thermal insulations; heat exchangers; oil tanks, accumulators, and pressure vessels; aerospace ground equipment, including mobile air conditioners, fluid charging systems, special ground handling equipment, and test stands.

Subsidiaries:

Industrial Microwave Corporation
520 Martin Place
Scotch Plains, New Jersey 07076
(201) 322-4411

Manufactures equipment for the electronics communications industry.

Transfer Agent(s):

Fidata Trust Company
New York, New York

Stock Exchange(s): American

Ticker Symbol: UAP

Number of Employees:

1985 525

Plant Footage:

1985 . . . . . . 172,000 sq. ft.

Sales and Earnings

	Net Sales	Net Income
1985	$ 36,097,501	$ 3,856,333
1984	32,609,752	3,959,120
1983	28,886,645	3,231,028
1982	26,712,543	3,027,366
1981	17,841,420	1,273,854

	No. of Com. Shares	Earn. per Share ‡
1985	2,442,088	$ 1.58
1984	2,218,657	1.63
1983	2,117,142	1.32

1982	2,001,423	1.25
1981	1,490,870	0.53

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.49	—	—
1984	0.47	5%	—
1983	0.43	5%	—
1982	0.40	—	4-for-3
1981	0.38	5%	—

+ Adjusted to reflect stock dividends and stock split

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 23,031,230	$ 9.43
1984	20,330,876	9.16
1983	17,513,745	8.27
1982	15,064,850	7.53
1981	12,935,081	8.68

Income Account *

Year ended Nov. 30	1985	1984
Net sales	$ 36,097,501	$ 32,609,752
Cost of sales	25,228,297	23,599,094
Expenses	4,051,633	3,992,443
Other income	(513,762)	(627,905)
Income before taxes	$ 7,331,333	$ 5,646,120
Income taxes	3,475,000	1,687,000
Net Income	$ 3,856,333	$ 3,959,120

* Included in Costs and Expenses, Depreciation: $770,317 in 1985 and $577,551 in 1984.

Assets

As of Nov. 30	1985	1984
Cash	$ 7,107,998	$ 6,255,419
Accts. receiv., net	6,896,461	5,026,375
*Inventories	7,860,270	7,536,969
Prepaid expenses & deferred inc. taxes	581,939	434,903
Current Assets	$ $22,446,668	$ 19,253,666
#Fixed assets	5,518,685	5,125,028
Intangibles	1,614,845	1,657,248
Total Assets	$ 29,580,198	$ 26,035,942

Liabilities

Accts. payable	$ 2,070,566	$ 2,541,967
Accruals	2,400,699	2,084,738
Income taxes	998,622	262,593
Curr. Liabilities	$ 5,469,887	$ 4,889,298
Deferred inc. taxes	1,079,081	815,768
+ Common stock	1,222,910	1,112,164
Add. paid-in capital	18,223,944	13,592,738
Retained earnings	3,650,540	5,710,615
Treasury stock	(66,164)	(84,641)
Total Liabilities & Shareholders' Equity	$ 29,580,198	$ 26,035,942

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.31	17.31
%Net Income to Sales	10.68	12.14
%Net Income to Equity	16.74	19.47
Sales to Inventories	4.59	4.33
Working Capital	$16,976,781	$14,364,368
Current Ratio	4.10	3.94
Shareholders' Equity	$23,031,230	$20,330,876

United Industrial Corporation

18 East 48th Street
New York, New York 10017
(212) 752-8787

Officers: Bernard Fein, chairman of the board & president; Irwin R. Barr, v.p. & president-AAI Corporation; Harold L. Knox, v.p. & president-Detroit Stoker Company; Howard M. Bloch, treasurer; Michael J. Klitus, Jr., asst. treasurer; Michael P. Coppins, asst. secretary.

Directors: Bernard Fein, chairman; Ben Feit, Howard M. Bloch, Myron Simons, Edward M. Melton.

Areas of Work: Designs, manufactures and markets electronics and aerospace systems, and weaponry for the United States and its allies, energy systems for industries and utilities, and specialized plastic products.

Subsidiaries:

AAI Corporation
Cockeysville, Maryland; Orlando, Florida; Oakland, California

Engaged in the development and manufacture of automatic test equipment for aircraft; weapons, ammunition and fuzing; material handling equipment; simulator for electronic warfare training (SEWT); and energy systems.

Neo Products Company
Chicago, Illinois

Producer of custom thermaplastic parts for the merchandisers of major appliances.

Detroit Stoker Company
Monroe & Marshall, Michigan; Columbus, Ohio

Designs, manufactures and markets coal burning stokers and auxiliary equipment, refuse burning systems, pollution control devices, related material handling equipment, and waste material crushers/shredders.

Transfer Agent(s):

Morgan Guaranty Trust Company
30 West Broadway
New York, New York 10015

Bank of America, N.T. & S.A.
555 South Flower Street
Los Angeles, California 90014

Stock Exchange(s): New York

Ticker Symbol: UIC

Number of Employees:

1985	3,740	1982	3,250
1984	3,630	1981	3,100
1983	3,450		

Sales and Earnings

	Net Sales †	Net Income
1985	$ 269,378,000	$ 29,054,000
1984	246,155,000	18,533,000
1983	224,173,000	16,739,000
1982	197,759,000	13,930,000
1981	150,102,000	11,076,000

	No. of Com. Shares +	Earn. per Share #
1985	12,094,000	$ 2.40
1984	12,035,000	1.52
1983	12,250,000	1.35
1982	12,250,000	1.14
1981	12,250,000	0.90

† Of continuing operations only.
# Based on the weighted average number of common shares outstanding adjusted to reflect stock dividends and stock splits.
+ Adjusted to reflect stock dividends and stock splits.

Revenues By Line of Business

	1985	1984
Defense	$ 224,164,000	$ 204,585,000
Energy systems	40,051,000	35,366,000
Plastic products	5,163,000	6,204,000
Total	$ 269,378,000	$ 246,155,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.51	10%	—
1984	0.39	10%	—
1983	0.32	—	2-for-1
1982	0.25	10%	3-for-2
1981	0.23	10%	—

‡ Adjusted to reflect stock dividends and stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 109,954,000	$ 9.09
1984	86,853,000	7.22
1983	77,735,000	6.35
1982	64,927,000	5.30
1981	54,257,000	4.43

† Adjusted to reflect stock dividends and stock splits.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 269,378,000	$ 246,155,000
Cost of sales	204,092,000	182,971,000
Expenses	42,652,000	38,835,000
Interest income	(5,012,000)	(2,134,000)
Other expense (income)	(1,371,000)	650,000
Income before taxes	$ 29,017,000	$ 25,833,000
Income taxes	9,905,000	9,990,000
Inc.-cont. oper.	$ 19,112,000	$ 15,843,000
Inc.-discont. oper.	9,942,000	2,690,000
Net Income	$ 29,054,000	$ 18,533,000

* Included in Costs and Expenses, Depreciation and Amortization: $6,352,000 in 1985 and $5,734,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & marketable securities	$ 12,068,000	$ 18,150,000
Trade receiv., net	38,315,000	39,822,000
*Inventories	68,682,000	34,611,000
Prepaid expenses	3,721,000	1,632,000
Current Assets	$ 122,786,000	$ 94,215,000
#Fixed assets	59,174,000	46,786,000
Other assets	55,584,000	23,741,000
Total Assets	$ 237,544,000	$ 164,742,000

Liabilities

Notes payable	$ 16,570,000	$ —
Long-term debt, curr.	277,000	421,000
Accts. payable	12,102,000	11,297,000
Accrued payroll	8,272,000	7,817,000
Cust. advances	2,779,000	4,140,000
Income taxes	2,330,000	5,402,000
Other liabilities	7,536,000	8,545,000
Deferred inc. taxes	46,307,000	32,151,000
Curr. Liabilities	$ 96,173,000	$ 69,773,000
Long-term debt	14,783,000	1,476,000
Deferred inc. taxes	16,634,000	6,640,000
+ Common stock	13,117,000	11,952,000
Add. paid-in capital	83,584,000	60,754,000
Retained earnings	19,898,000	20,500,000
Treasury stock	(6,645,000)	(6,353,000)
Total Liabilities & Shareholders' Equity	$ 237,544,000	$ 164,742,000

* At lower of cost (LIFO, actual, average, standard) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	36.42	21.34
Sales to Inventories	3.92	7.11
Debt to Equity	0.29	0.02

Working Capital	$ 26,613,000	$24,442,000
Current Ratio	1.28	1.35
Shareholders' Equity	$109,054,000	$86,853,000

United Technologies Corporation

United Technologies Building
Hartford, Connecticut 06101
(203) 728-7000

Officers: Harry J. Gray, chairman of the board; Robert F. Daniell, president & chief exec. officer; Richard J. Coar, exec. v.p.-Power Group; Hubert Faure, sr. exec. v.p.; Stillman B. Brown, exec. v.p.-corp. development; Edward W. Large, exec. v.p.-legal & corp. affairs; Ramond D'Argenio, sr. v.p.-communications; Clark MacGregor, sr. v.p.-external affairs; Sidney F. McKenna, sr. v.p.-human resources & organization; William F. Paul, sr. v.p.-defense & space systems; Richard F. Gamble, sr. v.p.-Controls Group; Edward M. Irving, sr. v.p.-Industrial Systems Group; Francis L. Murphy, sr. v.p. & counsel to the chairman; Joseph A. Biernat, sr. v.p. & treasurer; Edward J. Rapetti, group v.p.-Automotive Group; William J. Evans, Dale W. Van Winkle, v.p.'s; Beverly Lannquist Hamilton, v.p.-Pension Investment Management; Martin R. Lewis, Jr., v.p. & secretary; Latham L. Allison, v.p.-strategic planning; Russell G. Meyerand, Jr., v.p.-technology; J. Thomas Bouchard, v.p. -industrial relations; Thomas A. Drohan, v.p.-public relations; Walter F. Fells, v.p.-mgmt. development; Jeffrey L. Kushner, financial planning; Charles B. Preston, sr. v.p. & controller; Hugh E. Witt, v.p.-governmental liaison; Irving B. Yoskowitz, v.p. & general counsel; Robert F. Allen, chairman & chief exec. officer-Carrier; Bill L. Aishman, president, North American Operations-Otis; George A.L. David, exec. v.p. & chief oper. officer-Otis; Lawrence W. Clarkson, president-Commercial Products Division of Pratt & Whitney Aircraft Group; Frank W. McAbee, Jr., v.p. & deputy to the chairman; Karl M. Thomas, president-manufacturing division of Pratt & Whitney Group; Herman A. Michelson, president-Norden Systems; Elvie L. Smith, chairman-Pratt & Whitney Canada Inc.; Jean-Pierre van Rooy, president-Carrier International; Irwin Mendelsen, president-Pratt & Whitney engineering divison; Arthur E. Wegner, president-Pratt & Whitney Group; William C. Missimer, exec. v.p.-Pratt & Whitney; Terry D. Stinson, president-Elliott; James G. O'Connor, president, government products division-Pratt & Whitney Group; Robert Zincone, president and chief exec. officer-Sikorsky Aircraft; John M. Bruce, president & chief exec. officer-Essex; Selwyn D. Berson, exec. v.p.-Pratt & Whitney; L. David Caplan, president & chief exec. officer-Pratt & Whitney Canada Inc; Karl J. Krapek, president-Pacific area operations, Otis; Adolph J. Medica, president-space transportation systems; William A. Wilson, president & chief exec. officer-Carrier; Pierre J. Fougeron, president-European & Transcontinental Operations, Otis; Francois Jaulin, president & chief exec. officer-Otis; Brian B.H. King, president-Latin American Operations, Otis; John Lovkay, Jr., president-Hamilton Standard Division; James F. Lyons, president-North American Operations, Carrier.

Directors: Henry J. Gray*, chairman; T. Mitchell Ford*, Robert L. Sproull, William I. Spencer*, Richard S. Smith*, Hubert Faure, Jacqueline G. Wexler, Antonia H. Chayes, Robert F. Dee, Charles W. Duncan, Jr., Pehr G. Gyllenhammar, Robert H. Malott, Stillman B. Brown, K. Rupert Murdoch, John S. Reed., Robert F. Daniell.

* Member of the Executive Committee.

Areas of Work: Vertical-lift aircraft for military and civil operation and precision systems for flight, including environmental engine, air-inlet, and wing-sweep actuator controls; airborne integrated data systems and flight recorders; airborne radar and cockpit display systems; propellers; solid propellant rocket boosters and motors; liquid-fueled and hybrid rocket engines; space life support, environmental, guidance, and power systems; altitude control thrusters; turbine aircraft engines in a range of power ratings; gas turbines and allied equipment for electrical power generation, industrial process, natural gas transmission, and marine propulsion; computerized diagnostic and control systems for the automotive and other industries; laser welding systems for industry; electrical products principally for electric utility, telephone, automotive, construction and appliance markets; elevators, and escalators; air conditioning, advanced business communication systems electronic energy management control and intergrated building systems, and services.

Divisions and Subsidiaries:

Pratt & Whitney Aircraft Group
East Hartford, Connecticut 06108
(203) 565-4321

Otis Group, Inc.
245 Park Avenue
New York, New York 10017
(212) 557-5700

Hamilton Standard Division
Bradley International Airport
Windsor Locks, Connecticut 06096
(203) 623-1621

AMBAC Industries, Incorporated
One Old Country Road
Carle Place, New York 11514
(516) 742-5700

Sikorsky Aircraft Division
Stratford, Connecticut 06497
(203) 378-6361

Norden System, Inc.
Helen Street
Norwalk, Connecticut 06856
(203) 838-4471

Power Systems Division
Hartford, Connecticut 06101
(203) 728-7000

Essex Group, Inc.
1601 Wall Street
Fort Wayne, Indiana 46804
(291) 743-0311

Research Center
East Hartford, Connecticut 06108
(203) 565-4321

Pratt & Whitney Aircraft of West Virginia, Inc.
P.O. Box 245
Bridgeport, West Virginia 26330
(304) 842-5421

United Technologies International Incorporated
East Hartford, Connecticut 06108
(203) 565-4321

Pratt & Whitney Aircraft of Canada Limited (97% owned)
P.O. Box 10
Longueuil, Quebec, Canada
(514) 677-9411

Carrier Corporation
Carrier Tower
Syracuse, New York 13221
(315) 424-4711
Engaged in the manufacture and sale of air conditioning equipment, chemical specialty products and energy processing equipment.

Transfer Agent(s):

Morgan Guaranty Trust Company of New York
(common stock $2.55 and $4.50 preferred stock)
30 West Broadway
New York, New York 10015

Stock Exchange(s): New York, London, Paris, Frankfurt, Geneva, Basel, Zurich, Brussels, Amsterdam, Lausanne.

Ticker Symbol: UTX

Number of Employees:

1985	184,000	1982	184,000
1984	205,000	1981	189,700
1983	194,000		

Sales and Earnings

	Net Sales + (000's)	Net Income † (000's)	No. of Com. Shares ‡	Earn. per Share ‡ †
1985	$ 14,991,674	$ 312,724	122,538,718	$ 2.12
1984	14,826,013	645,015	120,795,140	4.90
1983	13,326,957	509,173	111,433,990	3.97
1982	12,510,168	533,721	106,209,690	4.37
1981	12,611,025	457,686	98,804,972	3.85

+ Of continuing operations only.
† Including extraordinary gain of $40,226,000 ($0.76 per share) in 1982.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Power	$ 5,257,114	$ 5,358,389
Flight systems	2,851,273	2,704,423
Building syst.	4,474,071	4,379,128
Indust. prods. for auto., elec. & other	2,364,525	2,340,137
Other	331,829	364,360
Eliminations	(287,138)	(320,424)
Total	$ 14,991,674	$ 14,826,013

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$1.40	—	—
1984	1.375	—	2-for-1
1983	1.275	—	—
1982	1.20	—	—
1981	1.20	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity +	Equity Per Share ‡
1985	$3,848,848,000	$ 31.32
1984	3,645,399,000	30.04
1983	3,253,897,000	27.21
1982	2,775,784,000	25.56
1981	2,445,910,000	23.57

+ After allowing for preferred stock at aggregate liquidation value.
‡ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 14,991,674	$ 14,826,013
Other income	112,576	153,459
Total Income	$ 15,104,250	$ 14,979,472
Cost of sales & services	10,893,768	10,918,164
Expenses	2,919,424	2,847,276
Interest expense	208,363	171,920
Income before taxes	$ 1,082,695	$ 1,042,112
Income taxes	422,251	368,205
Minority interest	24,045	20,377
Inc. - cont. oper.	$ 636,399	$ 653,530
Loss - discont. oper.	(323,675)	(88,515)
Net Income	$ 312,724	$ 645,015

* Included in Costs and Expenses, Depreciation: $397,964,000 in 1985 and $348,268,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term invest.	$ 971,827	$ 224,699
Accts. receiv., net	2,179,358	2,065,531

Fut. inc. tax ben.	278,945	—
*Inventories	3,389,599	3,455,360
Prepaid expenses	72,928	74,767
Current Assets	$ 6,892,657	$ 5,820,357
Investments & advances	444,010	416,500
Accts. & notes receiv.	99,191	97,152
#Fixed assets	2,711,053	2,985,963
Assets of discont. oper.	37,521	—
Defer. charges	343,673	584,564
Total Assets	$ 10,528,105	$ 9,904,536

Liabilities
(000's)

Notes payable	$ 396,205	$ 337,782
Long-term debt, curr.	37,647	153,610
Accts.payable	1,145,295	1,196,006
Accruals	1,860,835	1,553,968
Income taxes	442,990	194,839
Deferred inc. taxes	—	68,714
Advances on contracts	236,562	248,404
Curr. Liabilities	$ 4,119,534	$ 3,753,323
Long-term debt	1,289,047	1,178,335
Deferred invest. tax credit	243,871	314,473
Other liabilities	394,847	386,928
Minority interest	107,462	102,027
+ Preferred stock:		
$4.50 Cumulative	1,756	1,803
$2.55 Cumulative	526,133	525,586
+ + Common stock	1,434,805	1,390,208
Deferred trans. adjust.	(194,057)	(268,416)
Retained earnings	2,604,707	2,520,269
Total Liabilities & Shareholders' Equity	$ 10,528,105	$ 9,904,536

* At lower of cost or estimated realizable value.
# Less accumulated depreciation and amortization.
+ $1 par value, convertible.
+ + $5 par value.

Statistical Summary

%Net Income to Equity	7.15	15.47
Sales to Inventories	4.42	4.29
Debt to Equity	0.39	0.40
Working Capital	$2,773,123,000	$2,067,034,000
Current Ratio	1.67	1.55
Shareholders' Equity	$4,373,344,000	$4,169,450,000

United Telecommunications, Inc.

2330 Shawnee Mission Parkway
Westwood, Kansas 66205
(913) 676-3000

Mailing address:

P.O. Box 11315
Kansas City, Missouri 64112

Officers: Paul H. Henson, chairman of the board; William T. Esrey, president & chief executive officer: Charles W. Battey, vice chairman & chief administrative & financial officer; Robert H. Snedaker, Jr., vice chairman; John F. Dodd, executive v.p. & general counsel; John C. Hancock, exec. v.p. & chief technical officer; Richard J. Croker, Donald G. Forsythe, Thomas A. Benedett, Hayward D. Fisk, Ralph T. Whiteside, Sushil G. Munshi, Paul H. Till, v.p.'s; Frank R. Ventura, v.p. & controller; William J. Gunter, v.p. & treasurer; Don A. Jensen, v.p. & secretary.

Directors: Raymond M. Alden, Charles W. Battey, Warren L. Batts, Joseph D. Brenner, Ruth M. Davis, William T. Esrey, Paul H. Henson, Harold S. Hook, Carl Horn, Jr., Lewis W. Lehr, Thomas S. Numberger, James C. Olson, Charles E. Rice, Robert H. Snedaker, Jr., Avis G. Tucker, Stewart Turley.

Areas of Work: A publicly-owned, holding company which is engaged in a number of telecommunications businesses. The company's two operating groups are United Telephone System, Inc., one of the nation's largest telephone systems, and U.S. Telecom, Inc., which provides voice, data and video transmission services. Complementary businesses are engaged in computer graphics, distribution, computer retailing and computer software activities.

Subsidiaries:

Megatek Corporation
9605 Scranton Road
San Diego, California 92121
(619) 455-5590

North Supply Company
600 Industrial Parkway
Industrial Airport, Kansas 66031
(913) 791-7000

AmeriSource, Inc.
P.O. Box 11315
Westwood, Kansas
(913) 676-3000

Information Systems of America, Inc.
P.O. Box 47975
500 Northridge
Atlanta, Georgia 30338
(404) 587-6800

Market Information, Inc.
11414 West Center Road, Suite 360
Omaha, Nebraska 68144
(402) 333-6633

United Information Systems, Ltd.
London, England

United Telephone System, Inc.
P.O. Box 11315
Kansas City, Missouri 64112
(913) 676-3000

Consists of the following companies:

Carolina Telephone and Telegraph Co.
720 Western Blvd.
Tarboro, North Carolina 27886
(919) 823-9900

United Telephone Company of Florida
919 West Highway 436
Altamonte Springs, Florida 32701
(305) 862-1123

United Telephone Company of Indiana
Post Office Box 391
Warsaw, Indiana 46580
(219) 267-6161

United Telephone Company of the Northwest
601 State Street
Hood River, Oregon 97301
(503) 386-2211

United Telephone Company of Ohio
Post Office Box 3555
Mansfield, Ohio 44907
(419) 755-8011

United Telephone System-Eastern Group
1170 Harrisburg Pike
Carlisle, Pennsylvania 17013
(717) 243-6312

Consists of the following companies:

United Telephone Company of Pennsylvania
United Telephone Company of New Jersey
New Jersey Telephone Company
West Jersey Telephone Company
Hillsborough and Montgomery Telephone Company
United-Sussex Telephone Company

United Telephone Company of Texas
P.O. Box 2016
Tyler, Texas 75710
(214) 675-8521

United Telephone System-Midwest Group
666 W. 110th St.
Overland Park, Kansas 66211
(913) 381-6400
Consists of the following companies:

United Telephone Company of Iowa
United Telephone Company of Kansas
United Telephone Company of Minnesota
United Telephone Company of Missouri
United Telephone Company of Arkansas
United Telephone Company of the West

United Telephone System-Southeast Group
112 Sixth Street
Bristol, Tennessee 37620
(615) 968-8121

Consists of the following companies:

United Inter-Mountain Telephone Company
United Telephone Company of the Carolinas

United Telecom Corporate Center
Westwood, Kansas

United TeleSentinel, Inc.
P.O. Box 33080
Kansas City, Missouri 64114
(913) 341-0009

United TeleSpectrum, Inc.
P.O. Box 33080
Kansas City, Missouri 64114
(913) 341-0009

U.S. Telecom, Inc.
P.O. Box 11315
Kansas City, Missouri 64112
(913) 676-3000

Consists of the following companies:

U.S. Telecom-Corporate Network Services Company
1815 Century Blvd., Suite 500
Atlanta, Georgia 30345
(404) 320-1033

U.S. Telecom-Data Communications Company
10951 Lakeview Avenue
Lenexa, Kansas 66219
(913) 541-4400

U.S. Telecom-Communications Services Company
Box 11315
Kansas City, Missouri 64112
(913) 676-3000

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

United Missouri Bank of Kansas City, N.A.
P.O. Box 226
Kansas City, Missouri 64141

Stock Exchange(s): New York, Midwest, Pacific

Ticker Symbol: UT

Number of Employees:

1985	27,415	1982	29,309
1984	27,639	1981	29,680
1983	27,218		

Sales and Earnings

	Revenues & Sales # (000's)	Net Income (000's)
1985	$ 3,198,405	$ 20,773
1984	2,855,515	235,238
1983	2,559,329	198,971
1982	2,414,000	192,419
1981	2,206,000	243,122

	No. of Com. Shares ‡	Earn. per Share ‡
1985	93,700,000	$ 0.18
1984	89,800,000	2.57
1983	87,800,000	2.21
1982	82,400,000	2.28
1981	77,700,000	3.06

Of continuing operations only.
‡ Based on the average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$1.92	—	—
1984	1.88	—	—
1983	1.80	—	—

1982	1.72	—	—
1981	1.64	—	—

Common Stock Equity

	Total Equity †	Equity Per Share +
1985	$1,657,440,000	$ 17.69
1984	1,676,649,000	18.67
1983	1,598,126,000	18.20
1982	1,457,552,000	17.69
1981	1,317,116,000	16.95

† After allowing for preferred stock at involuntary liquidation values of $40 per share for First Series and $33⅓ per share for Second Series.
+ Based on the average number of shares outstanding.

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Telephone Syst.:		
Revenues	$ 2,306,805	$ 2,145,167
Maintenance	432,914	393,577
Depreciation	527,623	450,033
Other expenses	591,466	495,326
Income taxes	185,066	206,771
Other taxes	156,211	160,507
Oper. income	$ 413,525	$ 438,953
Other income	(17,262)	(4,097)
Interest expense	132,357	139,675
Pref. div. of subsid.	3,024	3,061
Income from Telephone Syst.	$ 295,406	$ 300,314
U.S. Telecom:		
Revenues	342,610	222,084
Expenses	537,167	332,695
Writedowns	303,000	—
Interest exp. (income)	(1,773)	12,358
Income taxes	(240,416)	(54,054)
Minority interest	(2,674)	(828)
Loss from U.S. Telecom	$ (252,694)	$ (68,087)
Diversified oper.:		
Sales	569,924	490,589
Cost of sales	457,514	383,465
Expenses	119,849	107,220
Interest expense	7,613	4,042
Tax credit	(9,363)	(2,748)
Loss from diversified oper.	$ (5,689)	$ (1,390)
Parent operations	(15,502)	(14,858)
Intercompany profit elim.	(748)	(108)
Income - cont. oper.	$ 20,773	$ 215,871
Inc. - discont. oper.	—	19,367
Net Income	$ 20,773	$ 235,238

* Included in Costs and Expenses, Depreciation: $605,265,000 in 1985 and $507,796,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 80,776	$ 40,572
Invest. & deposits	31,353	98,230
Accts. receiv., net	554,124	544,243
Allow. for uncoll. accts.	(40,636)	(13,755)
*Inventories	155,943	144,284
Prepaid expenses	53,685	40,874
Income tax benefit	52,044	
Current Assets	$ 887,289	$ 854,448
Investments & non-curr. receiv.	116,979	110,642
#Fixed assets	4,718,399	4,416,051
Defer. charges	26,884	29,181
Intangibles	17,833	30,358
Total Assets	$ 5,767,384	$ 5,440,680

Liabilities
(000's)

Outstanding checks	$ 143,625	$ 72,437
Notes payable	7,426	13,005
Long-term debt, curr.	42,806	49,361
Accts. payable	442,470	359,669
Comm. paper	78,863	64,344
Accrued interest	45,162	37,995
Advance billings	41,646	35,361
Accrued taxes	19,910	101,765
Other liab.	159,215	165,634
Writedowns	78,700	—
Curr. Liabilities	$ 1,059,823	$ 899,571
Long-term debt	1,947,695	1,836,239
Deferred credit	988,760	917,529
Minority interest	10,055	1,616
Redeem. pref. stock:		
Parent	30,400	31,600
Subsid.	13,948	14,405
Non-redeem. stock of subsid.	24,355	24,355
Preferred stock:		
+ First series	501	589
+ + Second series	2,772	3,041
+ + + Common stock	239,789	225,595
Emp. stock purch. install.	13,566	—
Add. paid-in capital	763,872	652,706
Retained earnings	671,848	833,434
Total Liabilities & Shareholders' Equity	$ 5,767,384	$ 5,440,680

* Utility inventories at average cost. Supply inventories and terminal equip. held for resale at lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $3.75 stated value, convertible.
+ + $3.125 stated value, convertible.
+ + + $2.50 par value.

Statistical Summary

%Net Income to Equity	1.23	13.71
Debt to Equity	1.18	1.11
Shareholders' Equity	$1,692,348,000	$1,715,365,000

United Telecontrol Electronics, Inc.

3500 Sunset Avenue
Asbury Park, New Jersey 07712
(201) 922-1000

Officers: Harold T. Sher, president; Raymond F. Herter, v.p., secretary & treasurer.

Directors: Harold T. Sher, Raymond F. Herter, Stanley R. Sprung, Philip H. Meyer, Jr.

Areas of Work: Electronic products for military use, consisting of radar transponders, telemetry equipment, missile launchers, and video and trigger amplifiers.

Affiliate:

UTE Microwave, Inc.
3500 Sunset Avenue
Asbury Park, New Jersey 07712
Produces microwave components.

Transfer Agent(s):

National State Bank
Elizabeth, New Jersey

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UTEL (NASDAQ)

Sales and Earnings

	Net Sales	Net Income +
1985	$ 10,288,222	$ 1,273,076
1984	13,131,183	1,725,586
1983	11,331,104	458,121
1982	4,478,316	(214,441)
1981	3,899,743	115,235

	No. of Com. Shares †	Earn. per Share # +
1985	1,908,197	$ 0.67
1984	1,777,499	0.97
1983	1,591,680	0.29
1982	1,591,680	—
1981	1,591,680	0.07

(Loss)
+ Including extraordinary gains of $6,500 in 1984 and $178,900 ($0.11 per share) in 1983.
† Adjusted to reflect stock split.
# Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	4-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 6,375,518	$ 3.34
1984	5,102,442	2.87
1983	2,006,829	1.26
1982	1,548,708	0.97
1981	1,763,149	1.11

‡ Adjusted to reflect stock split.

Income Account *

Year ended March 31	1985	1984
Net sales	$ 10,288,222	$ 13,131,183
Cost of sales	6,664,163	8,640,041
Expenses	1,499,191	1,476,308
Oper. Income	$ 2,124,868	$ 3,014,834
Other income	443,307	193,091
Total	$ 2,568,175	$ 3,207,925
Interest expense	92,183	33,258
Income before taxes	$ 2,475,992	$ 3,174,667
Income taxes	1,132,000	1,424,500
Minority interest	70,916	31,081
Net Income	$ 1,273,076	$ 1,719,086
Extraord. gain	—	6,500
Net Income & extraord. gain	$ 1,273,076	$ 1,725,586

* Included in Costs and Expenses, Depreciation and Amortization: $268,567 in 1985 and $237,124 in 1984.

Assets

As of March 31	1985	1984
Cash & securities	$ 2,759,599	$ 1,604,875
Marketable securities	2,136,440	2,455,330
Receiv., net	865,681	469,995
*Inventories	1,420,704	1,596,415
Other assets	69,087	261,466
Current Assets	$ 7,251,511	$ 6,388,081
#Fixed assets	885,446	892,868
Other assets	38,963	30,338
Total Assets	$ 8,175,920	$ 7,311,287

Liabilities

Long-term debt, curr.	$ 78,427	$ 95,160
Accts. payable	357,409	230,374
Accruals	1,063,227	1,574,325
Curr. Liabilities	$ 1,499,073	$ 1,899,859
Long-term debt	51,133	129,706
Minority interest	250,196	179,280
+ Common stock	184,170	184,170
Add. paid-in capital	2,088,309	2,088,309
Retained earnings	4,103,039	2,829,963
Total Liabilities & Shareholders' Equity	$ 8,175,920	$ 7,311,287

* At lower of average cost or net realizable market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	24.07	24.18
%Net Income to Sales	12.37	13.09
%Net Income to Equity	19.97	33.69
Sales to Inventories	7.24	8.23
Debt to Equity	0.02	0.04
Working Capital	$5,752,438	$4,488,222
Current Ratio	4.84	3.36
Shareholders' Equity	$6,375,518	$5,102,442

Unitrode Corporation

5 Forbes Road
Lexington, Massachusetts 02173
(617) 861-6540

Officers: George M. Berman, chairman of the board; William B. Mitchell, president; Howard F. Wasserman, exec. v.p.; Arthur H. Bruno, v.p.-microelectronics; Gerald C. Bellis, exec. v.p.; Michael O'Connor, v.p.-semiconductors; Edward Simon, v.p.-technology; Walter B. Gates, sr. v.p.-finance & treasurer; Robert R. Feier, v.p.-capacitors; Richard S. Morse, Jr., secretary; Norman E. DeVolder, v.p.-micro networks; William T. Campbell, Jr., v.p.-controller.

Directors: George M. Berman, Norman Landstrom, Walter B. Gates, Kenneth Hecht, Peter A. Brooke, Arthur O. Choate, Jr., Arthur L. Goldstein, William B. Mitchell, Stephen R. Levy.

Areas of Work: Develops, manufactures, and markets semiconductors, ceramic capacitors, power supplies, data conversion products, and analog ICs.

Subsidiaries:

Powercube Corporation
8 Suburban Park Drive
Billerica, Massachusetts 01821
(617) 862-6400

Unitrode Integrated Circuits Corp.
7 Continental Blvd.
Merrimack, New Hampshire
Manufactures analog ICs.

Unitrode Mexicana S.A. de C.V.
Agua Prieta, Sonora, Mexico

U.S. Microtek Components Corp.
Sun Valley, California
Manufactures ceramic chip capacitors and filters.

Power General Corporation
Canton, Massachusetts
Manufactures multiple-output switching power supplies, modular DC-DC converters and uninterruptible power supplies.

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York

Ticker Symbol: UTR

Number of Employees:

1986	2,695	1983	2,425
1985	3,120	1982	2,274
1984	3,094		

Plant Footage:

1986	631,600 sq. ft.	1983	497,000
1985	631,000	1982	486,000
1984	635,000		

Sales and Earnings

	Net Sales	Net Income †
1986	$ 167,968,000	$ 9,163,000
1985	200,113,000	22,215,000
1984	159,571,000	16,739,000
1983	131,132,000	13,640,000
1982	118,041,000	11,191,000

	No. of Com. Shares ‡	Earn. per Share ‡
1986	13,701,000	$ 0.67
1985	13,464,000	1.65
1984	13,385,000	1.25
1983	12,955,000	1.05
1982	12,730,000	0.88

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1986	1985	1984	1983
Semiconductors	55%	52%	50%	53%
Capacitors	12	17	21	21
Data conversion devices	14	14	13	14
Power circuit modules	19	17	16	12
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1986	$0.20	—	—
1985	0.20	—	—
1984	0.1625	—	2-for-1
1983	0.125	—	—
1982	0.125	—	2-for-1

+ Adjusted to reflect stock splits.

Common Stock Equity

	Total Equity	Equity Per Share †
1986	$ 132,918,000	$ 9.73
1985	119,939,000	9.07
1984	95,627,000	7.34
1983	75,034,000	5.88
1982	59,081,000	4.70

† Adjusted to reflect stock splits.

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 167,968,272	$ 200,113,316
Cost of sales	102,315,294	111,376,728
Expenses	50,925,729	54,610,243
Interest income	(586,872)	(441,635)
Interest expense	985,980	1,342,483
Income before taxes	$ 14,328,141	$ 33,225,497
Income taxes	5,165,000	11,010,000
Net Income	$ 9,163,141	$ 22,215,497

* Included in Costs and Expenses, Depreciation and Amortization: $13,566,154 in 1986 and $9,984,322 in 1985.

Assets

As of Jan. 31	1986	1985
Cash	$ 1,234,008	$ 505,203
Marketable securities	8,361,093	12,614,872
Accts. & notes receiv., net	34,150,747	38,716,020
*Inventories	51,217,167	50,312,706
Prepaid expenses	914,422	1,131,425
Current Assets	$ 95,877,437	$ 103,280,226
#Fixed assets	62,679,897	56,508,850
Intangibles	6,863,448	2,938,648
Other assets	3,125,017	1,268,420
Total Assets	$ 168,545,799	$ 163,996,144

Liabilities

Long-term debt, curr.	$ 4,261,895	$ 3,411,143
Accts. payable	5,512,242	7,680,606
Accrued payroll	3,334,235	4,579,617
Other accruals	6,010,812	8,103,630
Income taxes	649,490	4,108,760
Curr. Liabilities	$ 19,768,674	$ 27,883,576
Long-term debt	9,815,075	11,329,314
Deferred inc. taxes	6,043,983	4,843,983
+Common stock	2,738,271	2,735,671
Add. paid-in capital	27,725,549	22,247,388
Retained earnings	106,226,321	99,765,275
Treasury stock	(357,659)	(4,572,456)
Deferred compens.	(3,414,415)	(236,787)
Total Liabilities & Shareholders' Equity	$ 168,545,799	$ 163,996,144

* At current average cost but not in excess of net realizable value.
# Less accumulated depreciation.
+ $0.20 par value.

Statistical Summary

%Income bef. Taxes to Sales	8.53	16.60
%Net Income to Sales	5.46	11.10
%Net Income to Equity	6.89	18.52
Sales to Inventories	3.28	3.98
Debt to Equity	0.11	0.12
Working Capital	$ 76,108,763	$ 75,396,470
Current Ratio	4.85	3.70
Shareholders' Equity	$132,918,067	$119,939,091

Universal Security Instruments, Inc.

10324 South Duffield Road
Owings Mills, Maryland 21117
(301) 363-3000

Officers: Stephen Knepper, chairman; Michael Kovens, president; Irvin Kovens, secretary & treasurer; Harvey Grossblatt, v.p. & chief financial officer; Scott Edwards, v.p.-sales; Frank DiLeo, v.p.; Michael Johnson, asst. treasurer.

Directors: Stephen Knepper, chairman; Michael Kovens, Irvin Kovens.

Areas of Work: Designs, manufactures and markets burglar and fire alarm systems and other consumer electronic products including cordless telephones and video products.

Subsidiaries:

Cable Call, Inc.
Datatrac Control Center, Inc.
Chesapeake Technologies, Inc.

Transfer Agent(s):

Maryland National Bank
Baltimore, Maryland 21201

Stock Exchange(s): Over-the-Counter

Ticker Symbol: USEC (NASDAQ)

Number of Employees:

1985 100

Sales and Earnings

	Net Sales	Net Income
1985	$ 11,515,495	$ (811,003)
1984	9,397,193	(921,575)
1983	15,567,256	(2,527,345)
1982	18,528,387	59,786
1981	13,564,805	653,024

	No. of Com. Shares ‡	Earn. per Share ‡
1985	3,848,647	$ —
1984	3,276,463	—
1983	2,405,759	—
1982	2,403,566	0.02
1981	2,371,503	0.27

(Loss)
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Universal Security Instruments, Inc.

Common Stock

	Cash Dividend ‡	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	3-for-2
1981	—	—	—

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 8,065,473	$ 2.10
1984	8,846,342	2.70
1983	3,431,125	1.43
1982	5,958,470	2.48
1981	5,848,344	2.45

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended March 31	1985	1984
Net sales	$ 11,515,495	$ 9,397,193
Cost of sales	9,756,666	7,448,784
Expenses	2,561,710	2,733,167
Oper. Loss	$ (802,881)	$ (784,758)
Interest income	247,776	(236,167)
Interest expense	304,944	464,968
Other income	(49,046)	(91,984)
Net Loss	$ (811,003)	$ (921,575)

* Included in Costs and Expenses, Depreciation and Amortization: $306,498 in 1985 and $329,637 in 1984.

Assets

As of March 31	1985	1984
Cash	$ 33,026	$ 50,656
Time deposits	1,418,932	2,797,043
Accts. receiv., net	2,567,116	1,987,880
Refundable income taxes	19,022	30,778
*Inventories	3,259,335	5,754,780
Prepaid expenses	138,463	141,049
Current Assets	$ 7,435,894	$ 10,762,186
Accounts receivable	219,567	100,000
#Fixed assets	2,374,012	2,734,684
Cash held in escrow	489,387	485,101
Other assets & defer. charges	640,737	343,016
Total Assets	$ 11,159,597	$ 14,424,987

Liabilities

	1985	1984
Notes payable	$ 155,931	$ —
Bankers' acceptance	—	1,233,578
Oblig. under cap. lease, curr.	62,357	56,260
Accts. payable	411,387	388,860
Accruals	231,827	301,600
Notes payable	500,000	500,000
Curr. Liabilities	$ 1,361,502	$ 2,480,298
Long-term debt	1,125,233	2,448,919
Long-term oblig. under cap. lease	607,389	649,428
+Common stock	38,566	38,437
Add. paid-in capital	11,519,065	11,489,060
Retained earnings (deficit)	(3,492,158)	(2,681,155)
Total Liabilities & Shareholders' Equity	$ 11,159,597	$ 14,424,987

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

Sales to Inventories	3.53	1.63
Debt to Equity	0.28	0.15
Working Capital	$6,074,392	$8,281,888
Current Ratio	5.46	4.34
Shareholders' Equity	$8,065,473	$8,846,342

Universal Voltronics Corp.

27 Radio Circle Drive
Mount Kisco, New York 10549
(914) 241-1300

Officers: Barry Ressler, chairman & chief exec. officer; Joseph R. Petite, president & chief operating officer; Walter F.J. Crewson, v.p. & senior technical advisor; Julian M. Polis, v.p.-engineering; Frank X. Samperi, v.p.-manufacturing; Stuart Clymer, secretary.

Directors: Barry Ressler, chairman; Joseph R. Petite, Lewis Cohen, Milton Gold, Richard Lewisohn, III, Mike McCormack.

Areas of Work: Engaged in the design, manufacture and sale of high voltage power conversion systems, modulators and related equipment for strategic defense projects, energy research, as well as medical, commercial and utility applications.

Transfer Agent(s):

Harris Trust Company
110 William Street
New York, New York 10038

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UVOL (NASDAQ)

Sales and Earnings

	Net Sales	Net Income †
1985	$ 8,413,322	$ 141,124
1984	7,736,949	(2,253,141)
1983	10,380,485	(1,640,514)
1982	9;622,109	(1,622,834)
1981	13,207,674	617,621

	No. of Com. Shares ‡	Earn. per Share †‡
1985	2,653,958	$ 0.05
1984	2,653,958	—
1983	2,076,459	—
1982	1,878,744	—
1981	2,001,680	0.31

(Loss)
† Including extraordinary gain of $54,476 ($0.02 per share) in 1985.
‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 797,870	$ 0.30
1984	656,746	0.25
1983	2,904,711	1.40
1982	1,013,473	0.54
1981	2,624,322	1.31

‡ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended June 30	1985	1984
Revenues	$ 8,413,322	$ 7,736,949
Cost of sales	5,553,134	6,469,735
Prov. for unusual losses	350,635	1,092,109
Expenses	1,902,580	2,107,208
Interest expense	473,960	343,519
Interest income	(8,111)	(22,481)
Income (loss) before taxes	$ 141,124	$ (2,253,141)
Income taxes	54,476	—
Net Income (Loss)	$ 86,648	$ (2,253,141)
Extraord. gain	54,476	—
Net Income (Loss) & Extraord. Gain	$ 141,124	$ (2,253,141)

* Included in Costs and Expenses, Depreciation and Amortization: $163,259 in 1985 and $216,697 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 192,931	$ 26,357
Accts. receiv., net	1,562,016	1,424,804
Costs & earn. in exc. of billings	129,500	121,235
*Inventories	2,227,834	2,955,247
Equip. held for resale	78,000	133,000
Other curr. assets	68,206	111,831
Current Assets	$ 4,258,487	$ 4,772,474
#Fixed assets	1,080,768	1,225,138
Other assets	127,083	155,010
Total Assets	$ 5,466,338	$ 6,152,622

Liabilities

	1985	1984
Notes payable	$ 1,333,911	$ 995,115
Long-term debt, curr.	258,267	134,248
Accts. payable	608,421	1,262,687
Billings in exc. of costs	—	177,338
Accrued compensation	175,050	250,489
Accrued warranty costs	40,000	43,000
Other accruals	437,414	462,511
Curr. Liabilities	$ 2,853,063	$ 3,325,388
Long-term debt	1,611,629	2,051,419
Deferred pension	203,776	90,145
Deferred compensation	—	28,924
+Common stock	134,142	134,142
Add. paid-in capital	4,001,096	4,001,096
Accum. deficit	(3,334,064)	(3,475,188)
Treasury stock	(3,304)	(3,304)
Total Liabilities & Shareholders' Equity	$ 5,466,338	$ 6,152,622

* At lower of cost (Average) or market.
# Less accumulated depreciation.
+ $0.05 par value.

Statistical Summary

%Income bef. Taxes to Sales	1.68	—
%Net Income to Sales	1.03	—
%Net Income to Equity	10.86	—
Sales to Inventories	3.78	2.62
Debt to Equity	4.02	4.84
Working Capital	$1,405,424	$1,447,086
Current Ratio	1.49	1.44
Shareholders' Equity	$ 797,870	$ 656,746

UTL Corporation

4500 West Mockingbird Lane
Dallas, Texas 75209
(214) 350-7601

Officers: C.C. Lee, president & chief exec. officer; Paul Spero, sr. v.p.-operations; R.H. Lichtenstein, v.p.-administration; Bob W. Maupin, sr. v.p.-advanced development; Bernard S. Bernard, v.p.-new business development; John Benson, secretary & treasurer.

Directors: Van A. Davidson, C.C. Lee, Robert McCulloch, H.L. Simpson, Robert Hibbert.

Areas of Work: Engaged in the design, development and manufacture of electronic systems and subsystems which are used by the United States and foreign military services in reconnaissance, surveillance and electronic countermeasure activities.

Transfer Agent(s):

Texas American Bank
Trust Department
P.O. Box 35207
Dallas, Texas 75235

Stock Exchange(s): Over-the-Counter

Ticker Symbol: UTLC (NASDAQ)

Number of Employees:

1984	281	1981	245
1983	260	1980	236
1982	240		

Plant Footage:

1984	75,000 sq. ft.	1981	91,250
1983	91,000	1980	90,000
1982	91,000		

Sales and Earnings

	Revenues	Net Income ‡
1984	$ 22,846,760	$ 4,185,079
1983	19,006,000	2,711,142
1982	16,680,909	1,963,914
1981	16,341,542	1,311,233
1980	16,660,776	912,923

	No. of Com. Shares +	Earn. per Share ‡ +
1984	4,828,000	$ 0.87
1983	3,969,000	0.68
1982	3,630,000	0.54
1981	3,562,000	0.36
1980	3,496,000	0.25

‡ Including extraordinary credits of $216,000 ($0.06 per share) in 1982, $528,000 ($0.15 per share) in 1981 and $385,000 ($0.11 per share) in 1980.
+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1984	—	—	—
1983	—	—	2-for-1

Common Stock Equity

	Total Equity ‡	Equity Per Share +
1984	$ 29,243,098	$ 6.06
1983	25,502,608	6.43
1982	6,572,562	1.81
1981	4,093,884	1.15
1980	2,678,131	0.77

+ Based on the weighted average number of common shares and common share equivalents outstanding adjusted to reflect stock split.
‡ After allowing for preferred stock at liquidation value.

Income Account *

Year ended June 30	1984	1983
Revenues	$ 22,846,760	$ 19,006,000
Contract costs	14,728,836	12,374,110
Expenses	2,799,876	2,513,735
Interest income	(1,072,739)	(313,391)
Dividend income	(977,733)	(251,871)
Interest expense	154,238	128,719
Other expense	376,203	27,556
Income before taxes	$ 6,838,079	$ 4,527,142
Income taxes	2,653,000	1,816,000
Net Income	$ 4,185,079	$ 2,711,142

* Included in Costs and Expenses, Depreciation: $431,392 in 1984 and $327,621 in 1983.

Assets

As of June 30	1984	1983
Cash	$ 1,307,023	$ 2,148,562
Temp. invest.	9,136,157	13,200,000
Market. secur.	—	2,560,462
Receiv., net	3,489,581	4,476,930
Accounts receivable	1,341,512	—
Long-term contracts	7,803,794	3,993,366
Prepaid expenses	102,580	150,321
Current Assets	$ 23,180,647	$ 26,529,641
Marketable securities	7,497,772	—
Investments & adv.	342,574	373,547
#Fixed assets	3,157,937	3,125,457
Other assets & defer. charges	20,235	23,985
Total Assets	$ 34,199,165	$ 30,052,657

Liabilities

	1984	1983
Long-term debt, curr.	$ 71,192	$ 144,111
Accts. payable	1,118,079	1,310,010
Cust. advances	1,023,327	653,490
Accruals	802,047	957,630
Fed. inc. taxes	1,104,097	553,096
Curr. Liabilities	$ 4,118,742	$ 3,618,337
Long-term debt	577,825	648,212
Def. fed. inc. taxes	197,000	221,000
+ Preferred stock	62,500	62,500
+ + Common stock	1,196,172	1,191,422
Add. paid-in capital	20,899,248	20,847,587
Allowances on marketable secur.	(501,000)	—
Retained earnings	7,659,928	3,474,849
Treasury stock	(11,250)	(11,250)
Total Liabilities & Shareholders' Equity	$ 34,199,165	$ 30,052,657

Less accumulated depreciation and amortization.
+ No par value; $0.625 stated value, noncumulative.
+ + $0.25 par value.

Statistical Summary

	1984	1983
%Income bef. Taxes to Revenues	29.93	23.82
%Net Income to Revenues	18.32	14.26
%Net Income to Equity	14.28	10.60
Working Capital	$19,061,905	$22,911,304
Current Ratio	5.63	7.33
Shareholders' Equity	$29,305,598	$25,565,108

Varian Associates, Inc.

611 Hansen Way
Palo Alto, California 94303
(415) 493-4000

Officers: Thomas D. Sege, chairman of the board & chief exec. officer; Jerome J. Meyer, pres. & chief oper. officer; Larry L. Hansen, exec. v.p.-corp. technology; George W. O'Dair, exec. v.p.-fin. & admin.; Alan J. Bennett, v.p.-research; George Caryotakis, v.p. & managing director-Varian European Operations; Stanley Z. Cole, v.p.-patents & licensing; John J. Cooper, v.p.-gen. counsel & secretary; William E. Finney, v.p. & pres.-Medical & Industrial Prods. Group; Ralph W. Kane, v.p.-Intl. Development; Kerry M. Kenady, v.p.-mfg.; Allen J. Lauer, v.p. & pres.-Instrument Group; Robert A. Lemos, v.p. & treas.; David F. Minnery, v.p. & pres.-Int'l. Group; Norman H. Pond, v.p. & pres.-Electron Device Group; Elmo E. Sanders, v.p.-human resources; Gary E. Simpson, v.p-corporate communications; Wayne P. Somrak, controller; James A. Taylor, asst. treasurer.

Directors: Thomas D. Sege*, chairman; George W. O'Dair, Kenneth J. Arrow, Ruth M. Davis, C. Lester Hogan*, William F. Miller*, Gordon E. Moore, Kenneth Oshman, Joseph M. Pettit, H. Myrl Stearns*, Jerome J. Meyer*, Larry L. Hansen, James C. Gaither*, Edward L. Ginzton*.

* Member of the Executive Committee.

Areas of Work: Manufactures microwave, power and special-purpose electron tubes and devices for defense and communications; analytical instruments for science and industry; wafer-fabrication equipment for the semiconductor industry; radiation equipment for cancer therapy; vacuum equipment and leak detectors for industrial and scientific processes; and miniature magnetic components for computers and telecommunications.

Divisions and Subsidiaries:

Electron Device Group

Microwave Tube Division
611 Hansen Way
Palo Alto, California 94303
(415) 493-4000
Klystrons, traveling-wave tubes, gyrotrons.

Image Tube Division
601 California Avenue
Palo Alto, California 94304
(415) 493-1800
Night vision devices and microchannel plates.

EIMAC Division
301 Industrial Way
San Carlos, California 94070
(415) 592-1221

1678 S. Pioneer Road
Salt Lake City, Utah 84104
(801) 972-5000
Power grid tubes, ceramic/metal products, X-ray tubes.

Solid State Microwave Division
3251 Olcott Street
Santa Clara, California 95050
(408) 988-1331
Solid state oscillators and amplifiers, YIG-tuned devices, microwave and millimeter-wave semiconductors.

Microwave Equipment Division
3200 Patrick Henry Drive
Santa Clara, California 95050
(408) 496-6273
Power amplifiers and power supplies, microwave components, electromagnets.

Beverly Microwave Division
8 Salem Road
Beverly, Massachusetts
(617) 922-6000
Magnetrons, cross-field amplifiers, modulators, solid state, microwave components, ring-loop traveling-wave tubes, radar subsystems and receiver protectors.

Semicon Associates
1801 Old Frankfurt Pike
Lexington, Kentucky 40504
(606) 255-3664
Dispenser cathodes.

Canada Microwave Division
45 River Drive
Georgetown, Ontario
Canada L7G 2J4
Klystrons, traveling and millimeter-wave tubes, power supplies.

III-V Device Center
Santa Clara, California
Gallium arsenide and indium phosphide devices and integrated circuits.

Thorn EMI-Varian Ltd. (affiliate)
248 Blythe Road
Hayes, England UB3 1HR
Microwave tubes.

Instrument Group

Palo Alto Instrument Division
611 Hansen Way
Palo Alto, California 94303
(415) 493-4000
Nuclear magnetic resonance (NMR) spectrometers.

Walnut Creek Instrument Division
2700 Mitchell Drive
Walnut Creek, California 94587
(415) 939-2400
Gas and liquid chromatographs, data systems, laboratory information management systems

Varian Techtron Pty. Ltd.
679 Springvale Road
Mulgrave, Victoria 3170
Melbourne, Australia
Atomic absorption and UV-Vis spectrophotometers.

Varian Associates, Inc.

Medical & Industrial Products Group

Radiation Division
611 Hansen Way
Palo Alto, California 94303
(415) 493-4000
Medical and radiographic linear accelerators, electron radiography imaging systems.

Pulse Engineering
7250 Convoy Court
San Diego, California 92111
(619) 268-2400
Data coupling and pulse transformers, delay lines, switching magnetics.

The Potter Company
P.O. Box 337
942 Highway 51
Wesson, Mississippi 39191
EMI/RFI filters; film capacitors.

Specialty Metals Division
3515 Grove City Road
Grove City, Ohio 43123
(614) 875-7912
Materials used in thin film coating systems.

Varian-TEM, Limited
Gatwick Road
Crawley, West Sussex
England
Radiotherapy planning simulators.

Vacuum Systems Operation
3580 Bassett
Santa Clara, CA 95054
(408) 986-9888
Memory disk sputtering system.

Vacuum Products Division
121 Hartwell Avenue
Lexington, MA 02173
(617) 861-7200

3100 Jay Street
Santa Clara, CA 95051
(408) 727-0590

Via Varian 54
1-10040 Leini (Torino)
Italy
Leak detectors; gauges; vacuum pumps, systems, and accessories.

TEL-Varian Ltd. (affiliate)
2381-Ohara, Kita Gejo Fugii-cho
Nirasaki-City
Yamanashi
Japan
Ion implanters.

Semiconductor Equipment Group

Extrion Division
Blackburn Industrial Park
P.O. Box 1226
Gloucester, Massachusetts 01930
(617) 281-2000
Ion implantation equipment, rapid thermal processing equipment.

Thin Film Technology Division
611 Hansen Way
Palo, Alto, California 94303
(415) 493-4000
Sputtering molecular beam epitaxy systems, automatic wafer transport systems.

Analytichem International, Inc. (affiliate)
24201 Frampton Avenue
Harbor City, CA 90710
(213) 539-6490
Sample preparation products.

Acquisition(s):

Continental Electronics
Dallas, Texas
Produces high-power radio frequency transmitters.

Torrex Corporation
Designs chemical vapor deposition systems.

Transfer Agent(s):

The First National Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): New York, Pacific

Ticker Symbol: VAR

Number of Employees:

1985	13,600	1982	12,600
1984	16,000	1981	12,800
1983	13,600		

Plant Footage:

1985	N.A.	1982	3,600,000
1984	4,600,000 sq.ft.	1981	3,600,000
1983	3,600,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 972,500,000	$ 26,122,000
1984	927,800,000	59,877,000
1983	755,900,000	44,881,000
1982	682,700,000	26,500,000
1981	626,900,000	(3,600,000)

	No. of Com. Shares †	Earn. per Share #
1985	21,313,000	$ 1.19
1984	21,817,000	2.72
1983	21,408,000	2.14
1982	19,537,000	1.47
1981	16,005,000	—

(Loss)
+ Of continuing operations only.
† Adjusted to reflect stock split.
# Based on the average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Electron devices	$ 395,000	$ 403,000
Analytical instruments	159,000	145,000
Semiconductor equip.	212,000	189,000
Medical & industrial prods.	219,000	209,000
Adjust. & eliminations	(12,000)	(18,000)
Total	$ 973,000	$ 928,000

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.26	—	—
1984	0.26	—	—
1983	0.26	—	2-for-1
1982	0.26	—	—
1981	0.26	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share +
1985	$ 429,200,000	$ 20.14
1984	426,946,000	19.57
1983	362,500,000	16.93
1982	274,700,000	14.06
1981	192,100,000	12.00

+ Adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 972,545	$ 927,762
Cost of sales	669,451	595,802
Expenses	245,675	219,174
Interest expense	8,466	6,132
Interest income	(4,764)	(10,227)
Unusual items	(3,108)	—
Income before taxes	$ 56,825	$ 116,881
Income taxes	17,050	47,240
Inc. - cont. oper.	$ 39,775	$ 69,641
Loss - discont. oper.	(13,653)	(9,764)
Net Income	$ 26,122	$ 59,877

* Included in Costs and Expenses, Depreciation: $26,060,000 in 1985 and $19,939,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & short-term invest.	$ 13,491	$ 64,523
Accts. receiv., net	188,474	195,177
*Inventories	213,899	205,269
Other	57,966	49,317
Current Assets	$ 473,830	$ 514,286
#Fixed assets	246,849	178,141
Other assets	24,127	28,323
Total Assets	$ 744,806	$ 720,750

Liabilities
(000's)

	1985	1984
Notes payable	$ 18,376	$ 15,159
Accts. payable	41,290	53,797
Accruals	133,306	119,432
Prod. warranty	21,600	16,756
Adv. pay. from cust.	32,561	26,262
Curr. Liabilities	$ 247,133	$ 231,335
Long-term debt	46,188	42,981
Deferred inc. taxes & invest. tax credit	22,256	19,488
+ Common stock	21,313	21,817
Add. paid-in capital	155,488	173,180
Retained earnings	252,428	231,949
Total Liabilities & Shareholders' Equity	$ 744,806	$ 720,750

* At lower of cost (LIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Net Income to Equity	6.09	14.02
Sales to Inventories	4.55	4.52
Debt to Equity	0.15	0.14
Working Capital	$226,697,000	$282,951,000
Current Ratio	1.92	2.22
Shareholders' Equity	$429,229,000	$426,946,000

Varo, Inc.

2203 West Walnut Street
Post Office Box 461426
Garland, Texas 75046
(214) 487-4100

Officers: Samuel T. Yanagisawa, chairman of the board; James F. Gero, president & chief exec. officer; Stanley J. Sadlowski, asst. to chairman; Clifford L. Steward, sr. v.p. & secretary; Kevin W. McAleer, v.p., chief financial officer & treasurer; David L. Dalloh, v.p. & chief operating officer; Leo J. Eveleth, Jr., v.p. & chief personnel officer; Robert L. Esser, asst. secretary and controller.

Directors: Samuel T. Yanagisawa, James F. Gero, Joseph V. Mariner, Jr., John W. Turner, Eugene L. Miller, Donald R. Scheuch, Russell D. O'Neal, C.B. Sung, Stanley J. Sadlowski, Clifford L. Steward.

Areas of Work: Manufactures high-technology products, principally night vision equipment and image intensification tubes, weapons delivery systems, power conversion products, metal optics, and semiconductor products. Most of the Company's products have application in the defense industry.

Divisions:

Integrated Systems Group
2201 W. Walnut Street
P.O. Box 469015
Garland, Texas 75046
(214) 487-4100

Power Systems Group
2201 W. Walnut St.
P.O. Box 469015
Garland, Texas 75046
(214) 487-4100

Electron Devices Division
2203 W. Walnut Street
P.O. Box 469014
Garland, Texas 75046
(214) 487-4100

Subsidiaries:

Varo Semiconductor, Inc.
900 North Shiloh Road
P.O. Box 469013
Garland, Texas 75046
(214) 487-4300

Applied Optics Center Corporation
2005 Whitfield Industrial Way
Sarasota, Florida 33580
(813) 756-0636

Designs and produces precision metal optics and optic assemblies for defense, aerospace, and communications applications.

Transfer Agent(s):

Republic Bank Dallas, National Association
Dallas, Texas

Stock Exchange(s): New York

Ticker Symbol: VRO

Number of Employees:

1985	1,366	1982	1,490
1984	1,400	1981	1,570
1983	1,490		

Plant Footage:

1985	532,845 sq.ft.	1982	515,000
1984	N.A.	1981	475,000
1983	519,000		

N.A. - Not Available

Sales and Earnings

	Oper. Revenues +	Net Income
1985	$ 94,470,000	$ 1,634,000
1984	100,792,000	4,870,000
1983	88,380,000	900,000
1982	77,332,000	1,990,000
1981	83,148,000	6,576,000

	No. of Com. Shares	Earn. per Share #
1985	4,529,372	$ 0.36
1984	4,491,582	1.08
1983	4,483,182	0.20
1982	4,482,142	0.45
1981	4,471,762	1.48

+ Of continuing operations only.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Electronic syst. & prods.:		
Military	$ 61,088	$ 67,910
Commercial	28,909	27,877
Other prods.	4,473	5,005
Total	$ 94,470	$ 100,792

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.40	—	—
1984	0.40	—	—
1983	0.40	—	—
1982	0.40	—	—
1981	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 53,554,000	$ 11.82
1984	53,232,000	11.85
1983	49,980,000	11.15
1982	50,744,000	11.32
1981	50,315,000	11.25

Income Account *
(000's)

Year ended April 30	1985	1984
Oper. revenues	$ 94,470	$ 100,792
Cost of sales & contracts	71,494	74,487
Expenses	23,722	18,791
Interest income	(515)	(1,166)
Interest expense	359	376
Other expense (income)	(14)	300
Income (loss) before taxes	$ (576)	$ 8,004
Income taxes (credit)	(2,210)	3,134
Net Income	$ 1,634	$ 4,600

* Included in Costs and Expenses, Depreciation and Amortization $3,093,000 in 1985 and $2,826,000 in 1984.

Assets
(000's)

As of April 30	1985	1984
Cash	$ 1,604	$ 1,738
Cert. of dep.	—	5,673
Receiv., net	14,734	15,151
*Inventories	39,266	32,842
Prepaid expenses	882	1,060
Deferred inc. taxes	3,011	2,170
Current Assets	$ 59,497	$ 58,634
#Fixed assets	24,734	23,272
Other assets	969	1,508
Total Assets	$ 85,200	$ 83,414

Liabilities
(000's)

	1985	1984
Long-term debt, curr.	$ 343	$ 330
Accts. payable	8,410	5,555
Accruals	7,256	7,160
Advances	7,589	7,100
Curr. Liabilities	$ 23,598	$ 20,145
Long-term debt	1,620	1,879
Cap. lease oblig.	1,500	1,584
Deferred inc. taxes	3,124	5,187
Def. gain & credits	1,804	1,387
+Common stock	454	453
Add. paid-in capital	10,069	9,837
Retained earnings	43,409	43,581
Treasury stock	(159)	(404)
Stock plan def. compens.	(219)	(235)
Total Liabilities & Shareholders' Equity	$ 85,200	$ 83,414

* At lower of average cost or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value

Statistical Summary

%Income bef. Taxes to Revenues	—	7.94
%Net Income to Revenues	1.73	4.56
%Net Income to Equity	3.05	8.64
Working Capital	$35,899,000	$38,489,000
Current Ratio	2.52	2.91
Shareholders' Equity	$53,554,000	$53,232,000

Veeco Instruments Inc.

515 Broad Hollow Road
Melville, New York 11747
(516) 694-4200

Officers: Albert Nerken, chairman of the board; Allen E. Busching, president & chief executive officer; Edward H. Braun, executive v.p. & chief operating officer; Joshua A. Hauser, sr. v.p. & general manager-Lambda Group; Steven Goldschein, v.p.-administration, chief financial officer & treasurer; David Lubart, secretary; Michael J. Speiller, controller.

Directors: Albert Nerken, chairman; Philip L. Defliese, David Lubart, R.C. Mercure, Jr., Joseph Ponce, Murray Rosenzweig, Edward H. Braun, Allen E. Busching, Susan Fisher.

Areas of Work: Manufactures high and ultra high vacuum systems and components, hybrid voltage regulators, monolithic voltage regulators, power transistors, power semiconductor products, transformers, and Lambda direct current (dc) regulated power supplies and power instruments for general electronic applications.

Divisions and Subsidiaries:

Lambda Electronics Division
515 Broad Hollow Road
Melville, New York 11747

Lambda Semiconductor
Corpus Christi, Texas

Lambda Semiconductor S.A.
Reynosa, Mexico

Ion Implantation
Austin, Texas 78760

Veeco S.A.
Orsay, France

Veeco GmbH
Knorrstrasse 142
8000 Munich 45, West Germany

Veeco Integrated Automation Inc.
Dallas, Texas

Veeco K.K.
Tokyo, Japan

Veeco Instruments
Tel Aviv, Israel

Veeco Vacuum Instrumentation Division
Plainview, New York

Veeco Photoresist Processing Equipment
Plainview, New York

Lambda Electronique S.A.
Orsay, France

Veeco Instruments, Ltd.
High Wycombe, Bucks, England

Lambda Electronica de Mexico, S.A.
Reynosa, Mexico

Islambda Electronics Ltd.
Tel Aviv, Israel

Lambda Electronics Ltd.
Pointe-Claire
Quebec 730, Canada

Lambda Netzgerate GmbH
Achern, Germany

NEMIC-Lambda K.K. (60% interest)
Tokyo & Nagaoka, Japan

Lambda Electronics Ltd.
Carmel, Israel

NEMIC-Lambda (Singapore) Pte. Ltd.
Singapore

Transfer Agent(s):

The Chase Manhattan Bank
New York, New York

Stock Exchange(s): New York

Ticker Symbol: VEE

Number of Employees:

1985	2,650	1983	2,300
1984	2,300	1982	2,200

Plant Footage:

1985	703,000 sq. ft.	1983	688,000
1984	721,000	1982	675,000

Sales and Earnings

	Net Sales	Net Income
1985	$ 152,317,000	$ 9,096,000
1984	158,010,000	14,575,000
1983	122,132,000	10,058,000
1982	114,345,000	8,522,000
1981	111,070,000	10,174,000

	No. of Com. Shares †	Earn. per Share #
1985	9,612,189	$ 0.95
1984	9,613,589	1.52
1983	9,615,489	1.05
1982	9,615,489	0.89
1981	9,615,489	1.06

† Adjusted to reflect stock split.
# Based on weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Power products	$ 127,571,000	$ 122,755,000
Equipment	30,757,000	29,680,000
Eliminations	(318,000)	(118,000)
Total	$ 158,010,000	$ 152,317,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1985	$0.38	—	—
1984	0.32	—	—
1983	0.22	—	—
1982	0.20	—	—
1981	0.20	—	3-for-2

‡ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 86,010,000	$ 8.95
1984	78,456,000	8.16
1983	68,033,000	7.08
1982	60,324,000	6.27
1981	55,141,000	5.73

‡ Adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 152,317,000	$ 158,010,000
Cost of sales	87,992,000	83,895,000
Expenses	36,089,000	35,312,000
Research & develop.	8,849,000	8,889,000
Other income	(1,109,000)	(158,000)
Interest expense	1,686,000	1,836,000
Income before taxes	$ 18,810,000	$ 28,236,000
Income taxes	8,765,000	12,214,000
Income before minority interest	$ 10,045,000	$ 16,022,000
Minority interest	949,000	1,447,000
Net Income	$ 9,096,000	$ 14,575,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,176,000 in 1985 and $3,890,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 10,977,000	$ 9,425,000
Accts. receiv., net	37,797,000	39,280,000
*Inventories	51,265,000	49,628,000
Prepaid expenses	7,260,000	4,719,000
Current Assets	$ 107,299,000	$ 103,052,000
#Fixed assets	31,758,000	26,982,000
Other assets	938,000	594,000
Intangibles	3,355,000	3,310,000
Total Assets	$ 143,350,000	$ 133,938,000

Liabilities

	1985	1984
Notes payable	$ 8,630,000	$ 3,116,000
Long-term debt, curr.	1,328,000	1,288,000
Accts. payable	12,446,000	18,843,000
Accruals	10,030,000	10,392,000
Income taxes	1,912,00	3,846,000
Curr. Liabilities	$ 34,346,000	$ 37,485,000
Long-term debt	15,366,000	11,135,000
Deferred taxes & credits	2,973,000	3,691,000
Minority interest	4,655,000	3,171,000
+ Common stock	9,620,000	9,618,000
Add. paid-in capital	254,000	243,000
Retained earnings	76,781,000	71,339,000
Trans. adjust.	(494,000)	(2,662,000)
Treasury stock	(151,000)	(82,000)
Total Liabilities & Shareholders' Equity	$ 143,350,000	$ 133,938,000

* At lower of cost (FIFO) and average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	12.35	17.87
%Net Income to Sales	5.97	9.22
%Net Income to Equity	10.58	18.58
Debt to Equity	0.29	0.20
Sales to Inventories	2.97	3.18
Working Capital	$72,953,000	$65,567,000
Current Ratio	3.12	2.75
Shareholders' Equity	$86,010,000	$78,456,000

Vermont Research Corporation

Precision Park
North Springfield, Vermont 05150
(802) 886-2256

Officers: Hugh M. Taft, president & treasurer; Richard A. Stover, director of technology; Edward D. Winkler, Jr., controller; John G. Kristensen, clerk; Robert G. Kaseta, v.p.-engineering.

Directors: Hugh M. Taft, Richard A. Stover, J. Franklin Jones, Jr., John G. Moody, Stuart J. Lock.

Areas of Work: Engaged in the development, design and manufacture of drums, discs and other basic memory devices for the computer industry.

Subsidiaries:

Vermont Research Limited
Cleeve Road
Leatherhead, Surrey, England KT227NB

Vermont Research International Sales Corp.
Precision Park
North Springfield, Vermont 05150
(802) 886-2256

Transfer Agent(s):

State Street Bank and Trust Company
P. O. Box 1370
Boston, Massachusetts 02107

Stock Exchange(s): American

Ticker Symbol: VRE

Number of Employees:

1985	88	1984	105

Sales and Earnings

	Net Sales	Net Income
1985	$ 7,224,000	$ (993,000)
1984	9,488,000	(817,000)
1983	10,100,000	(1,488,000)
1982	13,489,000	1,143,000
1981	16,298,000	2,689,000

	No. of Com. Shares	Earn. per Share
1985	1,952,933	$ —
1984	1,952,933	—
1983	1,952,924	—
1982	1,952,822	0.58
1981	2,052,822	1.32

(Loss)

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	0.15	—	—
1982	0.15	—	—
1981	0.15	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 9,858,000	$ 5.05
1984	10,851,000	5.42
1983	11,668,000	5.98
1982	13,758,000	7.05
1981	14,301,000	6.97

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 7,224,000	$ 9,488,000
Cost of sales	5,876,000	6,258,000
Expenses	3,863,000	5,209,000
Interest expense	24,000	40,000
Interest income	(620,000)	(425,000)
Other income	(185,000)	(45,000)
Loss before taxes	$ (1,734,000)	$ (1,549,000)
Tax credit	(741,000)	(732,000)
Net Loss	$ (993,000)	$ (817,000)

* Included in Costs and Expenses, Depreciation: $512,000 in 1985 and $518,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 6,238,000	$ 5,388,000
Accts. receiv., net	1,065,000	1,186,000
Refundable income taxes	635,000	693,000
*Inventories	1,246,000	2,923,000
Prepaid taxes	119,000	112,000
Deferred income taxes	—	126,000
Current Assets	$ 9,303,000	$ 10,428,000
#Fixed assets	1,865,000	1,936,000
Other assets	13,000	81,000
Total Assets	$ 11,181,000	$ 12,445,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 84,000	$ 229,000
Accts. payable	483,000	440,000
Accrued payroll	136,000	209,000
Other accruals	528,000	489,000
Curr. Liabilities	$ 1,231,000	$ 1,367,000
Long-term debt	41,000	124,000
Deferred income taxes	51,000	103,000
+ Common stock	1,026,000	1,026,000
Add. paid-in capital	5,468,000	5,468,000

Retained earnings	5,058,000	6,051,000
For. curr. trans. adjust.	(310,000)	(310,000)
Treasury stock	(1,384,000)	(1,384,000)
Total Liabilities & Shareholders' Equity	$ 11,181,000	$ 12,445,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.50 par value.

Statistical Summary

Sales to Inventories	5.80	3.25
Debt to Equity	0.03	—
Working Capital	$8,072,000	$ 9,061,000
Current Ratio	7.56	7.63
Shareholders' Equity	$9,858,000	$10,851,000

Vernitron Corporation

2001 Marcus Avenue
Lake Success, New York 11042
(516) 775-8200

Officers: Herman S. Nathanson, chairman of the board, president & chief executive officer; Bernard Levine, vice chairman; Benjamin Kittner, vice president & president-PED-O-JET International; Benjamin K. Sachs, v.p. & secretary; Michael J. Goldman, v.p., chief financial officer & treasurer; Daniel A. Nathanson, exec. v.p. & dir.-corp. planning; Lawrence J. Schwartz, general counsel & asst. secretary.

Directors: Herman S. Nathanson*, chairman; Bernard Levine, Benjamin Kittner, Benjamin K. Sachs, Jack D. Morrison, Richard H. Weisinger, Daniel A. Nathanson*.

* Member of the Executive Committee.

Divisions and Subsidiaries:

Vernitron Controls Division
1601 Precision Park Lane
San Diego, California 92073
(619) 428-5581
Synchros, resolvers, remote indicators, and electromechanical assemblies.

VERNITECH Division
300 Marcus Boulevard
Deer Park, New York 11729
(516) 586-5100
Solid state signal converters, digital encoders, and servo motors for use in robotics and office equipment and potentiometers.

Magnetic Technology Division
21001 Kittridge Street
Canoga Park, California 91303
(818) 887-7700
Direct drive DC motors and tachometers.

Vernitron Piezoelectric Division
232 Forbes Road
Bedford, Ohio 44146
(216) 232-8600
Piezoelectric ignition devices, transducers, sensors, precision electronic filters.

BEAU Products Divsion
P.O. Box 10
117 Union Avenue
Laconia, New Hampshire 03246
(603) 524-5101
Electrical connectors and terminal strips.

PED-O-JET International, Inc.
5 Empire Boulevard
Carlstadt, New Jersey 07072
(201) 641-5500
Manufacture and marketing of jet injection apparatus for the mass inoculation market.

Lafayette Precision Products
115 Banker Street
Brooklyn, New York 11222
(718) 388-5973
Precision metal grinding.

Lafayette Precision Products
292 North Henry Street
Brooklyn, New York 11222
(718) 383-4545
Manufacturer of paper cutting knives, carbide tipped saw blades, metal slitting knives and cutting tools.

AIE Magnetics Division
701 Murfreesboro Road
Nashville, Tennessee 37210
(615) 244-9024
Manufactures transformers, inductors, and LC filters for the telecommunications, military, data processing and office products industries.

AST/Servo Systems, Inc.
115 Main Road, Route 202
Montville, New Jersey 07045
(201) 335-1007
A major distributor of ball bearings.

2448 Walnut Ridge Street
Dallas, Texas 75229
(214) 620-9004

20 Republic Road
North Billerica, Massachusetts 01862
(617) 667-8541

1708 South Lyon Street
Santa Ana, California 92705
(714) 543-8788
Engaged in the distribution of ball bearings, electromechanical components, assemblies, and test equipment for industrial, educational, and aerospace applications.

Vernitron Limited
Bursledon Road
Southampton SO9 5QF England
Manufactures piezoelectric materials and transducers, including gas igniters, electrical wave filters, ceramic and magnetic pickup cartridges, mica capacitors and electronic spark generators and controls for gas ignition.

VRN International Division
P.O.4400
2801 72nd Street
St. Petersburg, Florida 33743
(813) 347-2181
Produces trimmer potentiometers and precision single-turn and multi-turn wirewound potentiometers.

Vernitron Medical Products Division
5 Empire Boulevard
Carlstadt New Jersey 07072
(201) 641-5500
Produces and markets industrial quality washers, dryers, aspirators and sterilizers, primarily for use in hospitals and laboratories.

Brevel Motors, Inc.
Broad & 16th Street
Carlstadt, New Jersey 07072
(201) 933-0220
Manufactures small electric motors.

Brevel Motors of Canada, Ltd.
1370 Birchmont Road
Scarborough, Ontario M1P 2E5 Canada
(416) 751-2111
Manufactures and sells small electric motors for commercial and industrial applications.

Lorch Electronics Corp.
105 Cedar Lane
Englewood, New Jersey 07631
(201) 569-8282
Manufactures active and passive RF and IF signal processing components.

Transfer Agent(s):

Harris Trust Company of New York
New York, New York

Stock Exchange(s): American, Pacific

Ticker Symbol: VRN

Number of Employees:

1985 2,300

Plant Footage:

1985 . . . . . . 1,003,400 sq. ft. 1983 180,000
1984 . . . . . . N.A.

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$ 136,014,000	$ (2,802,000)
1984	146,601,000	6,415,000
1983	130,201,000	6,390,000
1982	131,389,000	6,419,000
1981	136,524,000	8,000,000

	No. of Com. Shares	Earn. per Share ‡
1985	6,268,700	$ —
1984	6,204,077	1.01
1983	6,041,828	1.02
1982	5,931,398	1.06
1981	5,800,533	1.35

(Loss)
+ Of continuing operations only.
‡ Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.20	—	—
1984	0.17	—	—
1983	0.13	—	—
1982	0.10	—	—
1981	0.10	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 68,434,000	$ 10.92
1984	71,462,000	11.52
1983	64,084,000	10.61
1982	57,406,000	9.68
1981	50,795,000	8.76

Income Account *

Year ended	12/28/85	12/29/84
Net sales	$ 136,014,000	$ 146,601,000
Cost of sales	107,553,000	106,038,000
Expenses	27,373,000	29,177,000
Interest expense	2,523,000	1,904,000
Other income	(91,000)	(617,000)
Loss on disposed bus.	2,378,000	398,000
Inc. (loss) bef. taxes	$ (3,722,000)	$ 9,701,000
Income taxes (credit)	(920,000)	3,286,000
Net Income (Loss)	$ (2,802,000)	$ 6,415,000

* Included in Costs and Expenses, Depreciation and Amortization: $3,883,000 in 1985 and $3,567,000 in 1984.

Assets

As of	12/28/85	12/29/84
Cash	$ 7,087,000	$ 8,692,000
Accts. receiv., net	19,886,000	23,704,000
*Inventories	42,643,000	49,965,000
Other curr. assets	8,432,000	1,945,000
Current Assets	$ 78,048,000	$ 84,306,000
#Fixed assets	34,152,000	30,348,000
Mortgage proceeds receiv.	5,286,000	4,650,000
Other assets	5,766,000	2,717,000
Total Assets	$ 123,252,000	$ 122,021,000

Liabilities

Notes payable	$ 7,000,000	$ 5,000,000
Long-term debt, curr.	1,566,000	1,558,000
Accts. payable	4,163,000	7,295,000
Accruals	11,775,000	10,376,000
Income taxes	1,553,000	3,203,00
Curr. Liabilities	$ 26,057,000	$ 27,432,000
Long-term debt	26,394,000	21,659,000
Def. inc. taxes	2,367,000	1,468,000
+Class B common stock	25,000	25,000
+ Common stock	627,000	621,000

Add. paid-in capital	23,969,000	23,228,000
Retained earnings	44,698,000	48,744,000
Treasury stock	(46,000)	(46,000)
Foreign currency translation adjustment	(839,000)	(1,110,000)
Total Liabilities & Shareholders' Equity	$ 123,252,000	$ 122,021,000

* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.62
%Net Income to Sales	—	4.38
%Net Income to Equity	—	8.98
Sales to Inventories	3.19	2.93
Debt to Equity	0.51	0.39
Working Capital	$51,991,000	$56,874,000
Current Ratio	3.00	3.07
Shareholders' Equity	$68,434,000	$71,462,000

Vicon Industries, Inc.

525 Broad Hollow Road
Melville, New York 11747
(516) 293-2200

Officers: Donald N. Horn, president & chief executive officer; Arthur V. Wallace, executive v.p.; Arthur C. Berman, secretary; Kenneth M. Darby, v.p.-finance & treasurer; Stuart I. Chambers, v.p.-product development; Rein S. Randmae, v.p.-engineering; Richard R. Perna, v.p.-operations; Dar Hyatt, v.p.-sales; Frances McArdle, v.p.-communications; Arthur C. Berman, secretary.

Directors: Donald N. Horn, Arthur C. Berman, Arthur V. Wallace, Frederick Hainfield, Jr., Peter F. Barry.

Areas of Work: Designs and manufactures closed circuit television equipment for the security and surveillance market. Principal products consist of pan and tilt drives and scanners, video switchers and controls, housings and enclosures, mounting accessories, consoles and lenses, as well as video cameras, monitors and video cassette recorders.

Subsidiary:

Vicon Industries (U.K) Ltd.
Portsmouth, England

Transfer Agent(s):

Harris Trust Company
110 William Street
New York, New York 10038

Stock Exchange(s): American

Ticker Symbol: VII

Number of Employees:

1985	384	1982	385
1984	400	1981	412
1983	400		

Plant Footage:

1985	110,000 sq. ft.	1982	90,000
1984	110,000	1981	90,000
1983	110,000		

Sales and Earnings

	Net Sales	Net Income †
1985	$ 30,437,297	$ (162,868)
1984	29,331,255	1,906,301
1983	25,979,738	1,318,621
1982	22,041,214	783,523
1981	18,963,229	1,355,959

	No. of Com. Shares +	Earn. per Share +†
1985	2,381,974	$ —
1984	2,366,847	0.80
1983	2,322,552	0.56
1982	2,315,271	0.34
1981	2,285,840	0.59

(Loss)
† Including extraordinary gain of $459,689 ($0.19 per share) in 1984.
+ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options adjusted to reflect stock dividends.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	50%	—
1982	—	—	—
1981	—	50%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1895	$ 13,532,167	$ 5.68
1984	13,451,496	5.68
1983	11,667,260	5.02
1982	10,396,047	4.49
1981	9,856,284	4.31

‡ Based on the weighted average number of shares outstanding and equivalent shares from dilutive stock options adjusted to reflect stock dividends.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 30,437,297	$ 29,331,255
Cost of sales	23,590,207	21,223,516
Expenses	5,855,837	5,383,458
Interest expense	1,361,783	831,652
Interest income	(35,277)	(37,133)
Write-off of registration costs	—	158,150
For. curr. trans.	377,615	—
Income (loss) bef. taxes	$ (712,868)	$ 1,771,612
Income taxes (credit)	(550,000)	325,000
Net Income (Loss)	$ (162,868)	$ 1,446,612
Extraordinary gain	—	459,689
Net Income (Loss) & extraordinary gain	$ (162,868)	$ 1,906,301

* Included in Costs and Expenses, Depreciation and Amortization: $1,061,101 in 1985 and $742,905 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 128,489	$ 130,872
Notes receivable	1,563,926	411,478
Accts. receiv., net	5,596,125	4,576,583
*Inventories	16,184,404	15,204,841
Prepaid expenses	381,072	255,774
Current Assets	$ 23,854,016	$ 20,579,548
#Fixed assets	10,970,565	10,747,012
For gov't secur.	569,046	—
Other assets	255,437	71,607
Total Assets	$ 35,649,064	$ 31,398,167

Liabilities

Notes payable	$ 4,203,085	$ 2,225,000
Long-term debt, curr.	1,050,478	548,701
Accts. payable	3,692,497	3,913,072
Accruals	494,623	488,704
Deferred income taxes	302,000	—
Income taxes	308,481	173,636
Curr. Liabilities	$ 10,051,164	$ 7,349,113
Long-term debt	11,472,820	10,204,645
Deferred income taxes	592,913	392,913
+Common stock	23,477	23,354
Add. paid in capital	5,335,582	5,271,137
Retained earnings	8,386,922	8,549,790
For. curr. trans.	(213,814)	(392,785)
Total Liabilities & Shareholders' Equity	$ 35,649,064	$ 31,398,167

* At lower of cost (moving average which approximates FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.01 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	6.04
%Net Income to Sales	—	4.93
%Net Income to Equity	—	10.75
Sales to Inventories	1.81	1.93
Debt to Equity	1.24	0.96
Working Capital	$13,802,852	$13,230,435
Current Ratio	2.37	2.80
Shareholders' Equity	$13,532,167	$13,451,496

Vishay Intertechnology, Inc.

63 Lincoln Highway
Malvern, Pennsylvania 19355
(215) 644-1300

Officers: Felix Zandman, president & chief executive officer; Robert A. Freece, v.p., treasurer & chief financial officer; Moshe Shamir, v.p.; William J. Spires, v.p. & secretary.

Directors: Alfred P. Slaner, chairman; Felix Zandman, Robert A. Freece, Milton N. Scofield, Gerald N. Frank, Edward B. Shils.

Areas of Work: Produces precision resistors and resistive devices, strain gages, electronic equipment to read and record the output of strain gages and strain gage transducers, services and equipment in visual and optical measurement sciences for the stress analysis field, with applications in dentistry, and technical teaching aids to colleges, technical schools, and industrial training institutes.

Divisions and Subsidiaries:

Resistive Systems Group

Resistive Systems Group Hq.
63 Lincoln Highway
Malvern, Pennsylvania 19355

Vishay de Mexico S.A.
Tijuana, Mexico

Vishay-Israel, Limited
2 Haofan Street
Holon, Israel

Vishay Micro-Mesures S.A.
98 Boulevard Gabriel Peri
92240 Malakoff, France

Nippon Vishay (K.K.)
Machimoku Bldg.
Tokyo, 194, Japan

Vishay Registor Products Italy
Via Matteotti 55/8
20068 Peschiera Borromeo
Italy

Vishay-Mann, Ltd.
Wymondham, Norfolk
England, NR 180RA

Angstrohm Precision, Inc.
Hagerstown, Maryland

Jordon Electric, Inc.
San Diego, California

Geka, S.A.
Paris, France

Elliott Industries
Calabasas, California

Measurements Group, Inc.

Measurements Group Headquarters
U.S. Highway 64
Raleigh, North Carolina 27611

Instruments Division

Photolastic Division

Education Division

Micro-Measurements Division
38905 Chase Road
Romulus, Michigan 48174

Measurements Group GmbH
8032 Lochham
Am Lochhamer Schlag 6
Munich, West Germany

Transfer Agent(s):

Mellon Bank (East)
Philadelphia, Pennsylvania

Stock Exchange(s): New York

Ticker Symbol: VSH

Number of Employees:

1985	N.A.	1982	1,100
1984	1,400	1981	1,100
1983	1,100		

N.A. - Not Available.

Sales and Earnings

	Net Sales #	Net Income
1985	$ 56,536,108	$ 7,902,873
1984	48,531,628	6,103,046
1983	42,161,020	4,422,550
1982	41,068,550	3,236,145
1981	37,418,331	1,549,657

	No. of Com. Shares ‡	Earn. per Share ‡
1985	4,868,236	$ 1.62
1984	4,868,236	1.25
1983	4,868,236	1.04
1982	3,862,159	0.84
1981	3,862,159	0.40

Of continuing operations only.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	5-for-4
1984	—	5%	—
1983	—	5%	—
1982	—	5%	—
1981	—	5%	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 49,237,288	$ 10.11
1984	41,370,002	8.50
1983	35,286,987	7.25
1982	21,413,796	5.54
1981	18,200,040	4.71

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock dividends and stock split.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 56,536,108	$ 48,531,628
Cost of sales	29,818,276	25,802,274
Expenses	16,733,575	14,304,399
Other expenses (income)	(676,386)	(463,146)
Income before taxes	$ 10,660,643	$ 7,961,809
Income taxes	2,757,770	1,858,763
Net Income	$ 7,902,873	$ 6,103,046

* Included in Costs and Expenses, Depreciation and Amortization: $2,193,611 in 1985 and $1,917,729 in 1984.

Assets

As of June 30	1985	1984
Cash & cert. of deposit	$ 8,174,168	$ 12,968,403
Short-term invest.	11,424,530	3,443,086
Acct. receiv., net	12,234,985	9,816,490
*Inventories	16,667,927	14,873,285
Deferred inc. taxes	194,053	194,053
Prepaid expenses & other assets	604,677	375,887
Current Assets	$ 49,300,340	$ 41,671,204
#Fixed assets	17,789,495	14,357,539
Other assets	891,876	1,242,497
Total Assets	$ 67,981,711	$ 57,271,240

Liabilities

	1985	1984
Notes payable	$ 4,885,705	$ 4,826,225
Long-term debt, curr.	823,016	455,170
Accts. payable	1,884,884	1,335,336
Commissions & payable	420,150	461,152
Payroll & other accrued expenses	4,556,469	3,995,812
Income taxes	1,149,720	460,904
Curr. Liabilities	$ 13,719,944	$ 11,550,091
Long-term debt	4,745,661	4,087,135
Deferred taxes	278,818	264,012
+ Common stock	486,823	389,458
Add. paid-in capital	24,949,015	25,046,380
Retained earnings	24,097,403	16,194,530
Currency translation adj.	(295,953)	(260,366)
Total Liabilities & Shareholders' Equity	$ 67,981,711	$ 57,271,240

* At lower of standard production cost or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Income before Taxes to Sales	18.86	16.41
%Net Income to Sales	13.98	12.58
%Net Income to Equity	16.05	14.75
Sales to Inventories	3.39	3.26
Debt to Equity	0.11	0.11
Working Capital	$35,580,396	$30,121,113
Current Ratio	3.59	3.61
Shareholders' Equity	$49,237,288	$41,370,002

Vitramon, Incorporated

Route 25
Monroe, Connecticut 06468
(203) 268-6261

Mailing address:

P.O. Box 544
Bridgeport, Connecticut 06601

Officers: Barton L. Weller, chairman of the board & chief exec. officer; Robert H. Paquette, v.p.-finance & treasurer; David R. Chipman, secretary and general counsel; Robert Swart, v.p.-engineering; Rolf Mueller, v.p.-European operations; Walter Goedkoop, v.p.-North American operations; John F. Pierce, asst. secretary.

Directors: Barton L. Weller, chairman; Earle A. Hallstrom, William H. Parr, David B. Morgan, Jr., Howard L. Richardson, Richard J. Broderick, William A. Prior.

Areas of Work: Engaged in the manufacture of monolithic ceramic capacitors for the electronics industry in the United States and abroad. Products are classified in three major categories: porcelain, ceramic and chip capacitors. These components are basic elements in all electronic equipment — including communications, computers, instruments, wrist watches, heart pacemakers and mobile radios. They consist of layers of dielectric material (porcelain or ceramic) and electrodes (metal plates) that form a monolithic body when used in furnaces.

Subsidiaries:

Vitramon North America
P.O. Box 544
Bridgeport, Connecticut 06601

Vitramon Limited
Wycombe Lane
Wooburn Green
Bucks, England

Vitramon Pty. Limited
102 Railway Parade
Kogarah, N.S.W., 2217
Australia

Vitramon Japan Limited
Nihon Igaku Bldg. 302
1-2-13 Tamagawa Setagaya-ku
Tokyo 158, Japan

Vitramon do Brasil Ltda.
511 Rua Carmo de Rio Verde
Sao Paulo
Brazil

Vitramon GmbH
Muhlbachstrasse, 7
7150 Backnang-Waldrems
West Germany

Vitramon France S.A.R.L.
Rue Rabelais
41100 Vendome
France

Transfer Agent(s):

The Connecticut Bank and Trust Company
Hartford, Connecticut

Stock Exchange(s): Over-the-Counter

Ticker Symbol: VITR (NASDAQ)

Number of Employees:

1985	740	1982	606
1984	728	1981	569
1983	723		

Plant Footage:

1985	159,000 sq. ft.	1982	139,000
1984	139,000	1981	123,000
1983	139,000		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 29,912,000	$ 862,000
1984	29,832,000	711,000
1983	23,558,000	705,000
1982	20,681,000	132,000
1981	18,630,000	(1,657,000)

	No. of Com. Shares +	Earn. per Share + ‡
1985	1,847,661	$ 0.47
1984	1,849,966	0.38
1983	1,858,214	0.38
1982	1,843,674	0.07
1981	1,837,861	—

(Loss)
+ Based on the average number of shares outstanding adjusted to reflect stock dividends.
‡ Including extraordinary gains of $227,000 ($0.12 per share) in 1985, $84,000 ($0.04 per share) in 1984, $234,000 ($0.13 per share) in 1983 and $204,000 ($0.11 per share) in 1982.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	—	5%	—
1984	—	5%	—
1983	—	5%	—
1982	—	5%	—
1981	—	5%	—

+ Adjusted to reflect stock dividends.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 9,975,000	$ 5.39
1984	8,339,000	4.52
1983	7,951,000	4.33

1982	7,537,000	4.10
1981	7,660,000	4.17

‡ Adjusted to reflect stock dividends.

Income Account *

Year ended	12/28/85	12/29/84
Net sales	$ 29,912,000	$ 29,832,000
Cost of sales	20,871,000	20,085,000
Expenses	6,763,000	7,147,000
Interest expense	882,000	1,087,000
For. curr. exch.	(378,000)	706,000
Income before taxes	$ 1,774,000	$ 807,000
Income taxes	1,139,000	180,000
Net Income	$ 635,000	$ 627,000
Extraord. item	227,000	84,000
Net Income and extraord. item	$ 862,000	$ 711,000

* Included in Costs and Expenses, Depreciation and Amortization: $2,162,000 in 1985 and $1,604,000 in 1984.

Assets

As of	12/28/85	12/29/84
Cash & temp. invest.	$ 541,000	$ 328,000
Accts. receiv., net	4,211,000	4,467,000
*Inventories	9,254,000	8,090,000
Future inc. tax benefits	812,000	668,000
Prepaid expenses	316,000	196,000
Current Assets	$ 15,134,000	$ 13,749,000
Investments & other assets	671,000	467,000
#Fixed assets	9,693,000	8,039,000
Total Assets	$ 25,498,000	$ 22,255,000

Liabilities

Long-term debt, curr.	$ 4,467,000	$ 4,126,000
Accts. payable	1,471,000	1,478,000
Accruals	1,152,000	1,033,000
Income taxes	1,044,000	989,000
Curr. Liabilities	$ 8,134,000	$ 7,626,000
Long term debt.	6,326,000	5,462,000
Deferred liab.	1,063,000	828,000
+ Common stock	185,000	176,000
Add. paid-in capital	8,690,000	8,099,000
Retained earnings	1,789,000	1,499,000
Cum. translation adjust.	(689,000)	(1,435,000)
Total Liabilities & Shareholders' Equity	$ 25,498,000	$ 22,255,000

* At production or purchase cost (FIFO) or market, whichever is lower.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	5.93	2.71
%Net Income to Sales	2.12	2.10
%Net Income to Equity	6.37	7.52
Sales to Inventories	3.23	3.69
Debt to Equity	1.08	1.15
Working Capital	$7,000,000	$6,123,000
Current Ratio	1.86	1.80
Shareholders' Equity	$9,975,000	$8,339,000

Wang Laboratories, Inc.

One Industrial Avenue
Lowell, Massachusetts 01851
(617) 459-5000

Officers: An Wang, chairman of the board, president & chief exec. officer; Harry H.S. Chou, vice chairman & chief financial officer; Jon F. Kropper, exec. v.p.-quality; Joseph Carl Masi, Jr., exec. v.p.-worldwide sales & marketing; Frederick A. Wang, exec. v.p.-research & development & treasurer; Eugene M. Bullis, sr. v.p. & corporate controller; Edward D. Grayson, sr. v.p., general counsel, clerk & secretary; **Raymond C. Cullen, Jr., Robert L. Doretti, Ian Diery, Johannes Spanjaard, Dodge Chu, Edward J. Devin, sr. v.p.'s; Horace Tsiang, sr. v.p. & chief development officer.**

Directors: An Wang, chairman of the board; Peter A. Brooke, Frederick A. Wang, Lorraine C. Wang, John F. Cunningham, Harry H.S. Chou, Martin Kirkpatrick, Richard A. Smith, Louis W. Cabot, Ernest F. Stockwell, Jr., Leo L. Beranek, Paul E. Tsongas.

Areas of Work: Designs, manufactures, markets and services computers and related peripheral devices for the office automation marketplace. These products are combined into systems which perform data processing, word processing, audio processing and image processing functions and include networking products which enable such systems to communicate with each other.

Subsidiaries:

Wang Computer Pty., Ltd.
Box 407, Milsons Point
Sydney, N.S.W. 2061
Australia

Wang Gesellschaft m.b.H.
Linke Wienzeille 234
A-1150 Vienna
Austria

Wang Europe S.A./N.V.
350, Avenue Louise
1050 Brussels
Belgium

Wang Canada, Ltd.
225 Duncan Mills Road
1st. Floor
Don Mills, Ontario
Canada M3B 3K9

Wang Industrial Co. Ltd.
Taipei, Taiwan

Wang Computer China, Ltd.
Beijing, China

Wang (UK) Ltd.
Wang House
661 London Road
Isleworth
Middlesex, TW7 4EH
United Kingdom

Wang Computer Limited
Hazama Building 14th Floor
5-8, Kita Aoyama 2-Chome
Minato-Ku, Tokyo 107
Japan

Wang Europe S.A./N.V.
Luxembourg

Wang Computer Ltd.
Eden House
44 Khyber Pass Road
Aukland
New Zealand

Wang Computer (Pte.) Ltd.
101 Thomson Road, 12-00
Gold Hill Square
Singapore 1130
Republic of Singapore

Wang France S.A.
Tour Gallieni 1
78/80 Avenue Gallieni
93170 BAGNOLET
France

Wang Deutschland, GmbH
Lyoner Strasse 26
Postfach 710 570
6000
West Germany

Wang Nederland B.V.
Postbus 4
4100 AA Culemborg
Netherlands

Wang Svenska AB
Dalvagen 8
Box 1196
S-171 23 Solna
Sweden

Wang Italia, S.p.A.
Centro Terziario
Strada Statale
Padana Superoire
Vimodrone 20090
Milano
Italy

Wang (Schweiz) A.G.
Talackerstrasse 7
8152 Glattbrugg
P.O. Box 8065
Zurich
Switzerland

Wang Pacific Limited
31st Floor, Hennessy Centre
Causeway Bay
500 Hennessy Road
Hong Kong

Wang Computadoras, Inc.
Banco Popular Center
Suite 1501
Hato Rey
Puerto Rico
00918

Wang Ireland Limited
Wang House
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Wang de Panama S.A.
Apartado 6425
Ave. Justo Arosemena
Cale 44, Bella Vista
Panama City 5
Panama

Wang de Mexico S.A. de C.V.
Mexico

Wang Gesellschaft m.b.H.
Bucharest, Rumania

Wang Espana S.A.
Spain

Wang Information Services Corp.
Telecommunications and voice mail services

Transfer Agent(s):

Bank of Boston
100 Federal Street
Boston, Massachusetts 02110

Stock Exchange(s): American

Ticker Symbol: WAN

Number of Employees:

1985	31,061	1982	19,759
1984	30,646	1981	15,774
1983	24,769		

Plant Footage:

1985 . . . . . . 3,197,000 sq. ft.

Sales and Earnings

	Revenue	Net Income
1985	$2,351,700,000	$ 15,500,000
1984	2,184,700,000	210,200,000
1983	1,538,000,000	152,000,000
1982	1,159,309,000	107,139,000
1981	856,376,000	78,073,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	141,100,000	$ 0.11
1984	138,100,000	1.52
1983	130,600,000	1.16
1982	121,700,000	0.88
1981	114,800,000	0.68

‡ Based on the weighted average number of Class B Common and Class C Common shares outstanding adjusted to reflect stock splits.

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985 Class B	$0.16		
1985 Class C	0.11	—	
1984 Class B	0.12	—	—
1984 Class C	0.07	—	—
1983 Class B	0.09	—	2-for-1#
1983 Class C	0.04	—	—
1982 Class B	0.06		—
1982 Class C	0.02	—	
1981 Class B	0.0575	—	2-for-1#
1981 Class C	0.02	—	—

+ Adjusted to reflect stock splits.
In the form of a dividend of one share of Class B Common Stock for each share of Class B Common Stock and Class C Common Stock issued.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$1,248,300,000	$ 8.93
1984	1,249,400,000	9.01
1983	937,800,000	7.09
1982	577,110,000	4.82
1981	465,596,000	3.90

‡ Adjusted to reflect stock splits.

Income Account *

Year ended June 30	1985	1984
Net sales	$1,732,000,000	$1,699,200,000
Other income	619,700,000	485,500,000
Total Income	$2,351,700,000	$2,184,700,000
Cost of sales	1,398,400,000	1,117,100,000
Expenses	948,900,000	779,800,000
Interest expense	58,900,000	26,600,000
Inc. (loss) bef. taxes	$ (54,500,000)	$ 261,200,000
Income taxes (credit)	(70,000,000)	51,000,000
Net Income	$ 15,500,000	$ 210,200,000

* Included in Costs and Expenses, Depreciation and Amortization: $177,300,000 in 1985 and $139,900,000 in 1984.

Assets

As of June 30	1985	1984
Cash	$ 31,100,000	$ 16,000,000
Short-term invest.	17,200,000	57,000,000
Accts. receiv., net	479,400,000	445,200,000
*Inventories	469,400,000	562,800,000
Prepaid expenses & other curr. assets	52,200,000	46,900,000
Current Assets	$1,049,300,000	$1,127,900,000
#Fixed assets	715,100,000	551,100,000
Other assets	611,500,000	572,900,000
Total Assets	$2,375,900,000	$2,251,900,000

Liabilities

	1985	1984
Notes payable	$ 64,000,000	$ 95,100,000
Commercial paper	2,700,000	97,100,000
Long-term debt, curr.	13,800,000	21,200,000
Accts. payable	268,900,000	248,500,000
Unearned serv. revenue	90,700,000	69,400,000
Income taxes	9,400,000	6,500,000
Dividends payable	5,500,000	4,100,000
Curr. Liabilities	$ 455,000,000	$ 541,900,000
Long-term debt	666,600,000	358,600,000
Deferred inc. taxes	6,000,000	102,000,000
+ Class B Common	66,800,000	66,100,000
+ Class C Common	3,100,000	3,200,000
Add. paid-in capital	595,100,000	576,700,000
For. curr. trans. adj.	(47,000,000)	(33,600,000)
Retained earnings	630,900,000	637,400,000
Treasury stock	(600,000)	(400,000)
Total Liabilities & Shareholders' Equity	$2,375,900,000	$2,251,900,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

% Income bef. Taxes to Total Income	—	11.96
% Net Income to Total Income	0.66	9.62
% Net Income to Equity	1.24	16.82
Debt to Equity	0.60	0.38
Working Capital	$ 594,300,000	$ 586,000,000
Current Ratio	2.31	2.08
Shareholders' Equity	$1,248,300,000	$1,249,400,000

Waters Instruments, Inc.

2411 Seventh Street, N.W.
Valley High Industrial Park
Rochester, Minnesota 55903
(507) 288-7777

Mailing address:

P.O. Box 6117
Rochester, Minnesota 55903

Officers: George F. Waters, chairman of the board; Thomas A. Burton, president & chief exec. officer; Richard E. Thompson, v.p.-Farm Products Group; Robert D. Dunbar, v.p.-Sub-Contract Group; George Sedivy, v.p.-Medical Group; James M. Liberko, secretary & treasurer.

Directors: Charles A. Elliott, John C. Enblom, Newell O. Gaasedelen, J. William McRoberts, George F. Waters, Thomas A. Burton.

Divisions:

Farm Products Division
Rochester, Minnesota
Products: electric fence chargers for farm use.

Sub Contract Division
Rochester, Minnesota
Engaged in sub-contract manufacturing of cable harness assemblies and other electric or mechanical assemblies for computer equipment manufacturers.

Medical Division
Rochester, Minnesota
Produces electro-medical equipment and analytical instruments for hospital and laboratory use. Oximeters for measuring the oxygen saturation of human blood, cardiac out-put computers for determining heart function and 'MOX' 100 kidney preservation equipment used in kidney transplant surgery.

Transfer Agent(s):

Norwest Bank Minneapolis, N.A.
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTRS (NASDAQ)

Number of Employees:

1986	185	1983	201
1985	255	1982	N.A.
1984	222		

Plant Footage:

1986	71,000 sq. ft.	1983	96,000
1985	100,000	1982	96,000
1984	100,500		

N.A. - Not Available.

Sales and Earnings

	Net Sales	Net Income
1986	$ 10,805,000	$ (71,000)
1985	14,674,000	449,000
1984	13,065,000	393,000
1983	12,245,000	394,000
1982	10,898,000	530,000

	No. of Com. Shares	Earn. per Share +
1986	952,643	$
1985	943,630	0.47
1984	943,630	0.42
1983	942,930	0.42
1982	942,430	0.56

(Loss)
+ Based on the average number of shares outstanding.

Revenues By Line of Business

	1986	1985
Sub-contract division	$ 2,627,000	$ 5,703,000
Farm products div.	6,249,000	7,323,000
Medical division	1,929,000	1,648,000
Total	$ 10,805,000	$ 14,674,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.11	—	—
1985	0.10	—	—
1984	0.10	—	—
1983	0.10	—	—
1982	0.09	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 4,995,000	$ 5.24
1985	5,171,000	5.48
1984	4,782,000	5.07
1983	4,481,000	4.75
1982	4,179,000	4.43

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 10,805,000	$ 14,674,000
Cost of sales	8,258,000	11,195,000
Expenses	2,744,000	2,832,000
Oper. profit (loss)	$ (197,000)	$ 647,000
Other income	(80,000)	(290,000)
Interest expense	84,000	103,000
Inc. (loss) bef. taxes	$ (201,000)	$ 834,000
Income taxes (credit)	(130,000)	385,000
Net Income (Loss)	$ (71,000)	$ 449,000

* Included in Costs and Expenses, Depreciation and Amortization: $171,000 in 1985 and $224,000 in 1984.

Assets

As of Jan. 31	1986	1985
Cash & marketable secur.	$ 617,000	$ 705,000
Receiv., net	1,582,000	1,743,000
*Inventories	205,000	3,400,000
Refundable inc. taxes	3,145,000	—
Prepaid expenses	45,000	37,000
Current Assets	$ 5,594,000	$ 5,885,000
#Fixed assets	1,105,000	1,180,000
Other assets	455,000	437,000
Intangibles	280,000	298,000
Total Assets	$ 7,434,000	$ 7,800,000

Liabilities

	1986	1985
Notes payable	$ 267,000	$ 175,000
Accts. payable	892,000	992,000
Accruals	638,000	566,000
Inc. taxes payable	—	67,000
Curr. Liabilities	$ 1,797,000	$ 1,800,000
Long-term debt	561,000	726,000
Deferred inc. tax credits	81,000	103,000
+ Common stock	95,000	95,000
Add. paid-in capital	1,141,000	1,141,000
Retained earnings	3,759,000	3,935,000
Total Liabilities & Shareholders' Equity	$ 7,434,000	$ 7,800,000

* Raw materials stated at lower of cost (FIFO) or market; work in process and finished goods stated at cost (FIFO), but not in excess of realizable values.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.68
%Net Income to Sales	—	3.06
%Net Income to Equity	—	8.68
Sales to Inventories	3.44	4.32
Debt to Equity	0.17	0.17
Working Capital	$3,797,000	$4,085,000
Current Ratio	3.11	3.27
Shareholders' Equity	$4,995,000	$5,171,000

Waters Manufacturing, Inc.

Longfellow Center
Wayland, Massachusetts 01778
(617) 358-2777

Officers: Robert A. Waters, president & chairman of the board; Salvatore F. Mazzarini, v.p. and treasurer; Stephen W. Howe, clerk.

Directors: Robert A. Waters, chairman; Salvatore F. Mazzarini, Harry Sugarman, Samuel J. Davy, Real O. Roy, Richard N. Silverman, Stephen W. Howe.

Areas of Work: Designs and manufactures precision potentiometers, professional audio controls and torque measuring equipment for use in industry and government.

Transfer Agent(s):

Bank of Boston
Boston, Massachusetts

Stock Exchange(s): Over-the-Counter

Number of Employees:

1984	96	1981	115
1983	100	1980	120
1982	115		

Plant Footage:

1984	24,000 sq. ft.	1981	24,000
1983	24,000	1980	24,000
1982	24,000		

Sales and Earnings

	Net Sales	Net Income
1984	$ 3,426,916	$ 196,142
1983	3,023,792	78,630
1982	3,684,892	231,146
1981	3,886,640	352,866
1980	3,773,259	268,171

	No. of Com. Shares	Earn. per Share
1984	534,690	$ 0.37
1983	534,690	0.15
1982	534,690	0.43
1981	534,690	0.66
1980	539,266	0.49

Common Stock Equity

	Total Equity	Equity Per Share
1984	$ 2,561,256	$ 4.79
1983	2,365,114	4.42
1982	2,286,484	4.28
1981	2,055,338	3.84
1980	1,711,730	3.17

Income Account *

Year ended April 30	1984	1983
Net sales	$ 3,426,916	$ 3,023,792
Cost of sales	2,324,029	2,223,915
Expenses	850,030	771,543
Oper. profit	$ 252,857	$ 28,334
Other income	90,285	79,496
Income before taxes	$ 343,142	$ 107,830
Income taxes	147,000	29,200
Net Income	$ 196,142	$ 78,630

* Included in Costs and Expenses, Depreciation and Amortization: $93,649 in 1984 and $118,047 in 1983.

Assets

As of April 30	1984	1983
Cash	$ 129,359	$ 63,736
Cert. of deposit	899,205	549,045
Accts. receiv., net	524,196	478,136
*Inventories	1,096,626	1,120,005
Prepaid expenses & sundry receiv.	26,896	47,788
Refund. inc. taxes	—	52,191
Current Assets	$ 2,676,282	$ 2,310,901
#Fixed assets	302,915	298,571
Other assets	13,174	67,768
Total Assets	$ 2,992,371	$ 2,677,240

Liabilities

Cash overdraft	$ —	$ 41,023
Accts. payable	112,096	102,721
Accruals & sundry liab.	180,337	150,585
Income taxes	111,212	—
Cap. lease oblig., curr.	4,219	3,676
Curr. Liabilities	$ 407,864	$ 298,005
Cap. lease oblig.	—	4,085
Deferred inc. taxes	23,251	10,036
+Common stock	577,057	577,057
Add. paid-in capital	196,936	196,936
Retained earnings	1,854,559	1,658,417
Treasury stock	(67,296)	(67,296)
Total Liabilities & Shareholders' Equity	$ 2,992,371	$ 2,677,240

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	10.01	3.55
%Net Income to Sales	5.72	2.60
%Net Income to Equity	7.66	3.32
Sales to Inventories	3.12	2.70
Working Capital	$2,268,418	$2,012,896
Current Ratio	6.56	7.75
Shareholders' Equity	$2,561,256	$2,365,114

Watkins-Johnson Company

Stanford Industrial Park
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Officers: Dean A. Watkins, chairman of the board; H. Richard Johnson, president & chief executive officer; W. Keith Kennedy, Jr., v.p.-Devices Group; William E. Kunz, v.p.-Systems Group; Bernard Rosen, Bruce G. Bleecker, O. Thomas Purl, Ronald D. Lessack, Barry R. Hoglund, Paul Y. Lin, Keith D. Gilbert, Kenneth W. Bach, Robert C. Lowe, Peter S. Pao, v.p.'s; C. Louise Beer, secretary; H. Edward Beckmeyer, treasurer; Carl L. Avelar, controller.

Directors: Dean A. Watkins, H. Richard Johnson, John J. Hartmann, Nathan C. Finch, Rita R. Campbell, Jack L. Shepard, Von R. Eshleman, H. Edward Beckmeyer.

Areas of Work: Engaged in the development, design and production of receiving equipment for surveillance, direction finding and countermeasures; antenna-to-data-reduction reconnaissance and surveillance systems, solid-state amplifiers, travelling-wave and backward-wave tubes and oscillators, tuners, receivers and computer controlled microwave receiving systems.

Divisions:

Systems Group
Electronic Support Measures (ESM)
2525 N. First Street
San Jose, California 95131
(415) 493-4141

Devices Group
Subsystems Division
SSE Division
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Federal Systems Division
Columbia, Maryland

CEI Division
Gaithersburg, Maryland

Subsidiaries:

Watkins-Johnson Associates
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson International
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson Limited
3333 Hillview Avenue
Palo Alto, California 94304
(415) 493-4141

Watkins-Johnson Italiana, S.p.A.
Rome, Italy

Watkins-Johnson FSC

Transfer Agent(s):

Bank of America

Stock Exchange(s): New York, Phila-Balt-Wash, Pacific, Boston

Ticker Symbol: WJ

Number of Employees:

1985	3,110	1982	2,690
1984	3,050	1981	2,540
1983	2,850		

Sales and Earnings

	Net Sales	Net Income
1985	$ 232,587,000	$ 18,437,000
1984	210,510,000	21,898,000
1983	186,034,000	17,726,000
1982	156,066,000	10,338,000
1981	132,426,304	6,682,327

	No. of Com. Shares +	Earn. per Share +
1985	9,490,402	$ 1.94
1984	9,671,430	2.26
1983	9,620,874	1.84
1982	9,569,145	1.08
1981	9,563,055	0.70

+ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984	1983	1982
Systems	56%	59%	61%	56%
Devices	44	41	39	44
Total	100%	100%	100%	100%

Common Stock

	Cash Dividend +	Stock Dividend	Stock Split
1985	$0.36	—	—
1984	0.32	—	—
1983	0.23	—	3-for-1
1982	0.16	—	—
1981	0.16	—	—

+ Adjusted to reflect stock split.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 105,868,000	$ 11.16
1984	115,174,000	11.91
1983	96,074,000	9.99
1982	80,228,000	8.38
1981	71,159,954	7.44

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 232,587,000	$ 210,510,000
Cost of sales	146,677,000	132,941,000
Expenses	56,162,000	50,461,000
Other income	(819,000)	(1,785,000)
Income before taxes	$ 30,567,000	$ 28,893,000
Income taxes	12,130,000	6,995,000
Net Income	$ 18,437,000	$ 21,898,000

* Included in Costs and Expenses, Depreciation and Amortization: $9,125,000 in 1985 and $7,969,000 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 4,517,000	$ 6,953,000
Marketable securities	15,237,000	27,222,000
Receiv., net	63,977,000	56,318,000
*Inventories	35,144,000	34,319,000
Other assets	2,560,000	2,466,000
Current Assets	$ 121,435,000	$ 127,278,000
#Fixed assets	49,107,000	48,212,000
Other assets	5,843,000	5,785,000
Total Assets	$ 176,385,000	$ 181,275,000

Liabilities

	1985	1984
Notes payable	$ 230,000	$ 588,000
Accts. payable	8,162,000	7,326,000
Payroll & prof. sharing	13,909,000	12,496,000
Advances on contracts	12,786,000	11,282,000
Income taxes	2,088,000	2,229,000
Guarantee under term. contract	1,875,000	1,875,000
Other liabilities	4,665,000	4,176,000
Curr. Liabilities	$ 43,715,000	$ 39,972,000
Long-term oblig. under cap. leases	26,802,000	26,129,000
+Common stock	7,935,000	9,427,000
Retained earnings	97,933,000	105,747,000
Total Liabilities & Shareholders' Equity	$ 176,385,000	$ 181,275,000

* At lower of cost (FIFO and average) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	13.14	13.73
%Net Income to Sales	7.93	10.40
%Net Income to Equity	17.42	19.01
Sales to Inventories	6.62	6.13
Debt to Equity	0.26	0.23
Working Capital	$ 77,720,000	$ 87,306,000
Current Ratio	2.78	3.18
Shareholders' Equity	$105,868,000	$115,174,000

Wavetek

9191 Towne Centre Drive, Suite 450
San Diego, California 92122
(619) 450-9971

Mailing address:
P.O. Box 85434
San Diego, California 92138

Officers: John M. Thornton, chairman of the board; John W. Battin, president & chief exec. officer; Henry Reinecke, Jr., sr. v.p.-operations; Lawrence C. Dolan, v.p.-sales; John H. Byrne, chief financial officer & general counsel; Robert J. Croshaw, v.p.-marketing & international sales; Daniel L. Sullivan, v.p.-human resources; Sandra M. Walker, secretary.

Directors: John M. Thornton, chairman; John W. Battin, John L. Cassis, C. Frederick Sehnert, David M. Goodman, J. Garrett Fitzgibbons, Joel A. Naive, Katherine P. Naive, Henry Reinecke, Jr.

Areas of Work: Designs, manufactures and sells electronic test and measurement equipment used in a variety of industrial, laboratory and defense applications involving the evaluation and manufacture of electronic circuits and related equipment.

Subsidiaries:

Wavetek Indiana, Incorporated
5808 Churchman
Beech Grove, Indiana 46107
(317) 788-9351

Wavetek Electronics GmbH
Hans-Pinsel-Strasse 9-10
8013 Haar bei München
Federal Republic of Germany

Wavetek Electronics, Ltd.
Tag Lane
Hare Hatch
Reading, Berkshire RG10 9LT
England

Wavetek Pacific Measurements, Inc.
488 Tasman Drive
Sunnyvale, California 94086

Wavetek San Diego, Inc.
9145 Balboa Avenue
San Diego, California 92123

Transfer Agent(s):

California First Bank
P.O. Box 2529
8155 Mercury Court
San Diego, California 92112

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WVTK (NASDAQ)

Number of Employees:

1985	N.A.	1982	1,603
1984	1,232	1981	1,139
1983	1,581		

Plant Footage:

1985	N.A.	1982	248,000
1984	459,000 sq. ft.	1981	222,000
1983	464,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales #	Net Income
1985	$ 75,409,000	$ (14,316,000)
1984	81,478,000	1,394,000
1983	84,004,000	4,687,000
1982	64,634,000	3,401,000
1981	49,685,000	2,175,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	9,074,000	$ —
1984	9,078,000	0.15
1983	7,814,000	0.60
1982	7,148,000	0.48
1981	5,720,000	0.38

(Loss)
Of continuing operations only. Includes other income.
‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividends	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2
1982	—	—	—
1981	—	—	—

Common Stock Equity

	Total Equity†	Equity Per Share ‡
1985	$ 60,478,000	$ 6.66
1984	75,006,000	8.26
1983	73,358,000	9.39
1982	39,902,000	5.58
1981	36,149,000	6.32

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 75,409,000	$ 81,478,000
Cost of sales	40,978,000	40,098,000
Expenses	53,107,000	41,793,000
Interest expense	364,000	504,000
Interest income	(1,064,000)	(1,129,000)
Income (loss) bef. taxes	$ (17,976,000)	$ 212,000
Taxe credit	(3,660,000)	(1,182,000)
Net Income (Loss)	$ (14,316,000)	$ 1,394,000

* Included in Costs and Expenses, Depreciation and Amortization: $4,223,000 in 1985 and $3,890,000 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 734,000	$ 823,000
Short-term invest.	11,355,000	1,826,000
Receiv., net	14,883,000	18,606,000
Income taxes refundable	2,815,000	2,658,000
*Inventories	20,112,000	33,094,000
Other assets	386,000	509,000
Current Assets	$ 50,285,000	$ 57,516,000
#Fixed assets	21,500,000	28,455,000
Long-term receiv.	2,634,000	616,000
Intangibles	—	3,066,000
Other assets	65,000	1,347,000
Total Assets	$ 74,484,000	$ 91,000,000

Liabilities

	1985	1984
Long-term debt, curr.	$ 111,000	$ 85,000
Accts. payable	2,651,000	4,803,000
Accruals	1,026,000	1,226,000
Accrued payroll	2,307,000	2,333,000
Other liab.	3,272,000	1,793,000
Curr. Liabilities	$ 9,367,000	$ 10,240,000
Long-term debt	2,898,000	2,980,000
Deferred inc. taxes	1,741,000	2,774,000
+Common stock	9,054,000	9,080,000
Add. paid-in capital	42,610,000	42,814,000
Retained earnings	9,261,000	24,037,000
Cumm. trans. adj.	(447,000)	(925,000)
Total Liabilities & Shareholders' Equity	$ 74,484,000	$ 91,000,000

* At cost (FIFO) not in excess of market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	—	0.26
%Net Income to Sales	—	1.71
%Net Income to Equity	—	1.86
Sales to Inventories	3.75	2.46
Debt to Equity	0.05	0.04
Working Capital	$40,918,000	$47,276,000
Current Ratio	5.37	5.62
Shareholders' Equity	$60,478,000	$75,006,000

R. V. Weatherford Co.

6921 San Fernando Road
Glendale, California 91201
(213) 849-3451

Officers: R. V. Weatherford, chairman of the board; Morton Denson, president; Robert Grunberg, acting chief financial officer; June E. McCabe, v.p.-administrative services & secretary; Dwight E. Moore, v.p. Western Electronic Supply Corp.

R. V. Weatherford Co.

Directors: R. V. Weatherford, C. Clifford Riggs.

Areas of Work: Engaged in the wholesale distribution of electronic components and equipment, principally semiconductors, electronic hardware, resistors, and capacitors. The Company's sales are made to original equipment manufacturers, end users, and consumers located in the western United States, principally California. Principal customers are in the defense, aerospace, computer and communications industries.

Subsidiaries:

Dow Radio, Inc.
Pasadena, California

Supplies a broad line of electronic components and equipment to professionals in health, education and governmental areas.

Western Electric Supply Corporation
Glendale, California

Bessler Educational Systems & Technology, Inc.

Transfer Agent(s):

Security Pacific National Bank
Los Angeles, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WTHR (NASDAQ)

Number of Employees:

1985	150

Plant Footage:

1985	177,000 sq. ft.

Sales and Earnings

	Net Sales +	Net Income †
1985	$ 24,790,319	$ (6,539,652)
1984	50,360,132	468,053
1983	40,224,656	(32,565)
1982	42,956,387	(1,154,950)
1981	38,005,000	33,229

	No. of Com. Shares #	Earn. per Share ‡†
1985	1,824,027	$ —
1984	1,816,302	0.26
1983	1,770,572	—
1982	1,770,572	—
1981	1,770,572	0.02

(Loss)

+ Of continuing operations only.

† Including extraordinary gain of $110,900 ($0.06 per share) in 1984.

# Adjusted to reflect stock splits.

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ (527,948)	$ —
1984	6,000,913	3.30
1983	5,317,737	3.00
1982	5,350,302	3.02
1981	6,505,252	3.68

(Deficiency)

Income Account *

Year ended June 30	1985	1984
Net sales	$ 24,790,319	$ 50,360,132
Cost of sales	17,612,513	35,819,765
Expenses	9,950,437	12,696,666
Software develop.	22,572	213,343
Interest expense	953,164	1,112,605
Loss-dispos. of prod. line	1,610,285	—
Loss-sale of Dow Radio	1,181,000	—
Inc. (loss) bef. taxes	$ (6,539,652)	$ 517,753
Income taxes	—	160,600
Net Income (Loss)	$ (6,539,652)	$ 357,153
Extraord. gain	—	110,900
Net Income (Loss) & extraord. gain	$ (6,539,652)	$ 468,053

* Included in Costs and Expenses, Depreciation and Amortization: $588,366 in 1985 and $435,469 in 1984.

Assets

As of June 30	1985	1984
Accts. receiv., net	$ —	$ 96,825
*Inventories	7,967,797	12,065,080
Accounts receiv.	1,999,114	9,419,219
Other assets	162,266	293,394
Current Assets	$ 10,129,177	$ 21,874,518
#Fixed assets	1,080,390	1,135,895
Deferred leases	58,991	70,191
Other assets	86,396	511,213
Total Assets	$ 11,354,954	$ 23,591,817

Liabilities

Notes payable	$ 1,423,525	$ 8,138,779
Long-term debt, curr.	87,576	174,318
Accts. payable	5,776,047	7,382,012
Inc. taxes payable	48,949	49,704
Accruals	517,773	877,921
Deferred income	—	137,503
Prov. for loss on sale of Dow Radio	1,181,000	—
Curr. Liabilities	$ 9,034,870	$ 16,760,237
Long-term debt	765,032	830,667
Accts. payable	2,083,000	—
+ Capital stock	1,846,070	1,838,345
Add. paid-in capital	167,566	164,500
Ret. earnings (deficit)	(2,541,584)	3,998,068
Total Liabilities & Shareholders' Equity	$ 11,354,954	$ 23,591,817

* At lower of cost (weighted average) or market.

# Less accumulated depreciation and amortization.

+ No par value; $1 stated value.

Statistical Summary

%Income bef. Taxes to Sales	—	1.03
%Net Income to Sales	—	0.71
%Net Income to Equity	—	5.95
Sales to Inventories	3.11	4.17
Debt to Equity	—	1.52
Working Capital	$1,094,307	$5,114,281
Current Ratio	1.12	1.31
Shareholders' Equity (Deficiency)	$ (527,948)	$6,000,913

WEIGH-TRONIX, Inc.

1000 Armstrong Drive
Fairmont, Minnesota 56031
(507) 238-4461

Officers: Herbert H. Davis, Jr., chairman of the board; Richard S. Bradley, president & chief executive officer; Vincent D. Del Santro, v.p.-manufacturing; James W. Deer, secretary; Peter H. Cole, v.p.-sales; Randy J. Newlin, v.p.-marketing; Emery J. Lee, treasurer, asst. secretary & controller.

Directors: F. William Harder, Arthur J. Luscombe, Richard S. Bradley, George A. Cavanaugh, Jr., Herbert H. Davis, Jr., James W. Deer, Frederick A. Fielder, James L. Koley, Donald M. McClellan, Arthur W. Schwalm, D. Dean Spatz.

Areas of Work: Engaged in the manufacture of electronic weighing systems for farm and industry.

Subsidiary:

W-T International, Inc. (DISC)

Transfer Agent(s):

First National Bank of Minneapolis
Minneapolis, Minnesota

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WGHT (NASDAQ)

Number of Employees:

1985	200	1982	238
1984	222	1981	254
1983	200		

Plant Footage:

1985	141,000 sq. ft.	1982	141,000
1984	141,100	1981	141,000
1983	141,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 14,963,526	$ 1,020,096
1984	16,332,286	1,407,787
1983	13,724,444	1,003,824
1982	13,451,061	743,986
1981	14,877,224	1,235,516

	No. of Com. Shares	Earn. per Share
1985	1,953,279	$ 0.52
1984	1,952,932	0.72
1983	1,952,932	0.51
1982	1,952,932	0.38
1981	1,952,932	0.63

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 9,968,683	$ 5.10
1984	9,403,033	4.81
1983	8,581,131	4.39
1982	8,163,190	4.18
1981	7,858,618	4.02

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 14,963,526	$ 16,332,286
Cost of sales	8,976,848	9,848,871
Expenses	4,253,796	4,395,382
Interest income	(162,938)	(229,564)
Interest expense	140,710	192,645
Other expense (increase)	1,820	(85,383)
Income before taxes	$ 1,753,290	$ 2,210,335
Income taxes	733,194	802,548
Net Income	$ 1,020,096	$ 1,407,787

* Included in Costs and Expenses, Depreciation and Amortization: $749,557 in 1985 and $586,354 in 1984.

Assets

As of Dec. 31	1985	1984
Cash & cert. of deposit	$ 1,515,445	$ 1,966,234
Accts. receiv., net	2,371,640	2,971,161
Note receivable	—	100,119
Other receiv.	33,788	43,750
Refund. inc. taxes	435,870	—
*Inventories	3,565,969	3,291,020
Prepaid expenses	222,396	29,426
Def. inc. tax benefits	109,603	164,099
Current Assets	$ 8,254,711	$ 8,565,809
#Fixed assets	4,822,304	4,696,122
Royalty rights	596,193	—
Other assets	49,102	54,937
Total Assets	$ 13,722,310	$ 13,316,868

Liabilities

Accts. payable	$ 121,477	$ 236,295
Long-term debt, curr.	111,562	103,125
Accrued payroll	312,095	296,983
Accrued interest	45,997	46,769
Accrued inc. taxes	165,540	231,150
Other accruals	354,303	430,419

	1985	1984
Curr. Liabilities	$ 1,110,974	$ 1,344,741
Long-term debt	1,994,375	2,105,937
Deferred inc. taxes	648,278	342,157
Deferred income	—	121,000
+Common stock	987,265	976,466
Add. paid-in capital	566,596	318,232
Retained earnings	8,648,930	8,363,569
Treasury stock	(234,108)	—
Notes receiv. from officers	—	(255,234)
Total Liabilities & Shareholders' Equity	$ 13,722,310	$ 13,316,868

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	11.72	13.53
%Net Income to Sales	6.82	8.62
%Net Income to Equity	10.23	14.97
Sales to Inventories	4.20	4.96
Debt to Equity	0.21	0.23
Working Capital	$7,143,737	$7,221,068
Current Ratio	7.43	6.37
Shareholders' Equity	$9,968,683	$9,403,033

Weinschel Engineering Co., Inc.

One Weinschel Lane
Gaithersburg, Maryland 20877
(301) 948-3434

Mailing address:
1 Weinschel Lane
Gaithersburg, Maryland 20877

Officers: Bruno O. Weinschel, chairman of the board & president; Henry V. Nejfelt, treasurer; Herbert J. Gildenhorn, secretary.

Directors: Bruno O. Weinschel, chairman; George Weinschel, Nathan Cohn, William M. Heiden.

Areas of Work: Engaged in the design and manufacture of microwave components and test and calibration instruments. Its products are sold primarily to the communications, aerospace and electronics industries, research, development and standards laboratories and various government agencies.

Divisions and Subsidiaries:

Weinschel Engineering, Inc.
Weinschel International, Inc. (FSC)

Transfer Agent(s):

American Security Bank, N.A.
Washington, D.C. 20013

Stock Exchange(s): Over-the-Counter

Number of Employees:

1985	262	1982	310
1984	310	1981	296
1983	305		

Plant Footage:

1985	60,000 sq. ft.	1982	60,000
1984	60,000	1981	50,000
1983	60,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 18,848,522	$ 732,158
1984	17,379,441	240,274
1983	16,685,929	857,452
1982	14,651,213	496,724
1981	14,062,351	476,175

	No. of Com. Shares	Earn. per Share
1985	612,426	$ 1.20
1984	612,426	0.39
1983	612,426	1.40
1982	612,426	0.81
1981	612,426	0.78

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 6,677,855	$ 10.90
1984	5,945,697	9.71
1983	5,705,423	9.32
1982	4,847,970	7.92
1981	4,351,247	7.10

Income Account *

Year ended Oct. 31	1985	1984
Net sales	$ 18,848,522	$ 17,379,441
Cost of sales	10,922,122	9,736,208
Expenses	6,642,439	6,577,547
Oper. profit	$ 1,283,961	$ 1,065,686
Other income	95,584	50,560
Total	$ 1,379,545	$ 1,116,246
Other charges	732,596	811,998
Income before taxes	$ 646,949	$ 304,248
Income taxes (credit)	(85,209)	63,974
Net Income	$ 732,158	$ 240,274

* Included in Costs and Expenses, Depreciation and Amortization: $593,896 in 1985 and $561,215 in 1984.

Assets

As of Oct. 31	1985	1984
Cash	$ 44,079	$ 45,917
Due from officer	—	542,754
Accts. receiv., net	3,883,683	4,397,903
*Inventories	6,286,112	7,982,488
Other assets	87,713	121,836
Inc. taxes receiv.	51,128	329,752
Def. inc. tax benefits	34,934	287,466
Current Assets	$ 10,694,649	$ 13,708,116
#Fixed assets	3,532,733	3,333,805
‡Other assets	18,925	21,972
Value of life insur.	105,989	98,249
Due from officer	721,071	—
Total Assets	$ 15,073,367	$ 17,162,142

Liabilities

	1985	1984
Notes payable	$ 970,000	$ 2,470,000
Long-term debt, curr.	459,631	371,623
Accts. payable	1,196,467	1,638,642
Adv. pay. from cust.	—	815,577
Accrued expenses	941,496	728,865
Income taxes	338,320	171,652
Curr. Liabilities	$ 3,905,914	$ 6,196,359
Long-term debt	4,208,645	4,516,921
Deferred inc. taxes	280,953	503,165
+Common stock	314,998	314,998
Add. paid-in capital	537,654	537,654
Retained earnings	5,862,976	5,130,818
Treasury stock	(37,773)	(37,773)
Total Liabilities & Shareholders' Equity	$ 15,073,367	$ 17,162,142

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
‡ Less accumulated amortization.
+ $0.50 par value.

Statistical Summary

%Income bef. Taxes to Sales	3.43	1.75
%Net Income to Sales	3.88	1.38
%Net Income to Equity	10.96	4.04
Sales to Inventories	3.00	2.18
Debt to Equity	0.84	1.24
Working Capital	$6,788,735	$7,229,663
Current Ratio	2.74	2.18
Shareholders' Equity	$6,677,855	$5,945,697

Weldotron Corporation

1532 South Washington Avenue
Piscataway, New Jersey 08854
(201) 752-6700
(212) 227-6663

Officers: Martin Siegel, president; Seymour G. Siegel, v.p.-finance, secretary and treasurer; Frank Mummolo, v.p.-operations; Albert W. Sanders, v.p. & controller.

Directors: Martin Siegel, chairman; Seymour G. Siegel, Thomas E. Constance, Isidore Siegel, Robert P. Gibbons, Albert H. Cohen, Uzi Zucker.

Areas of Work: Develops and manufactures industrial packaging systems, including a line of packaging machinery and unit load handling systems for industrial applications; food packaging systems; electronic systems using infra-red light and radio frequency sensing fields for safety of automation; controls for monitoring high-speed machinery; audio/visual, video and microcomputer equipment for schools, industry and institutions.

Divisions and Subsidiaries:

Industrial Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Food Packaging Systems
1532 S. Washington Avenue
Piscataway, New Jersey 08854

Communications & Controls
Piscataway, N.J.

Vision System Technologies
Valiant IMC

Transfer Agent(s):

Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016

Stock Exchange(s): American

Ticker Symbol: WLD

Number of Employees:

1985	409	1983	350
1984	N.A.		

Plant Footage:

1985	256,000 sq. ft.	1982	N.A.
1984	256,000	1981	265,000
1983	265,000		

N.A.-Not Available.

Sales and Earnings

	Net Sales	Net Income
1985	$ 33,571,831	$ 1,696,400
1984	30,701,692	1,461,600
1983	26,700,710	831,000
1982	25,368,259	671,000
1981	22,887,845	526,000

	No. of Com. Shares ‡	Earn. per Share ‡
1985	1,819,396	$ 0.93
1984	1,690,404	0.86
1983	1,145,150	0.77
1982	1,044,347	0.64
1981	1,057,340	0.50

‡ Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 16,968,000	$ 9.33
1984	15,283,000	9.04
1983	6,772,000	5.91
1982	5,939,000	5.69
1981	5,259,000	4.97

† Based on the weighted average number of shares outstanding adjusted to reflect stock split.

Income Account

Year ended April 30	1985	1984
Net sales	$ 33,571,831	$ 30,701,692
Other income	526,165	484,656
Total Income	$ 34,097,996	$ 31,186,348
Cost of sales	21,553,576	20,128,823
Expenses	9,134,993	8,229,673
Depreciation & amortization	478,268	374,918
Interest expense	279,731	212,346
Income before taxes	$ 2,651,428	$ 2,240,588
Income taxes	955,000	779,000
Net Income	$ 1,696,428	$ 1,461,588

Assets

As of April 30	1985	1984
Cash	$ 433,217	$ 614,491
Short-term investments	201,834	197,309
Accts. & notes receiv., net	9,383,247	7,420,317
* Inventories	14,470,990	9,326,043
Prepaid expenses	1,767,623	1,528,682
Other assets	860,276	681,072
Prepaid inc. taxes	—	525,110
Current Assets	$ 27,117,187	$ 20,293,024
Marketable securities	2,891,500	2,313,400
#Fixed assets	2,639,784	2,318,334
Other assets	590,787	503,140
Total Assets	$ 33,239,258	$ 25,427,898

Liabilities

	1985	1984
Notes payable	$ —	$ 350,000
Accts. payable	5,853,976	3,497,429
Accrued payroll	932,004	740,267
Cust. deposits	252,889	254,719
Other liabilities	723,606	2,108,864
Income taxes	531,662	—
Deferred inc. taxes	2,388,188	1,849,188
Long-term debt, curr.	585,247	433,902
Curr. Liabilities	$ 11,267,572	$ 9,234,369
Long-term debt	4,498,310	400,707
Deferred inc. taxes	450,131	510,131
Deferred compensation	55,000	—
+ Common stock	93,654	93,524
Add. paid-in capital	8,679,246	8,670,273
Retained earnings	8,348,952	6,652,524
Treasury stock	(123,957)	(110,380)
Loss on marketable securities	(29,650)	(23,250)
Total Liabilities & Shareholders' Equity	$ 33,239,258	$ 25,427,898

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	7.90	7.30
%Net Income to Sales	5.05	4.76
%Net Income to Equity	10.00	9.56
Sales to Inventories	2.32	3.29
Debt to Equity	0.27	0.05
Working Capital	$15,849,615	$11,058,655
Current Ratio	2.41	2.20
Shareholders' Equity	$16,968,245	$15,282,691

Wells-Gardner Electronics Corporation

2701 North Kildare Avenue
Chicago, Illinois 60639
(312) 252-8220

Officers: Albert S. Wells, Jr., president & chief executive officer; Allan Gardner-v.p. & sales mgr.; Aroon Chaddha, v.p.-engineering; Merrill I. Nelson, v.p.-materials; Anthony I. Blase, v.p., secretary & treasurer; Randall S. Wells, v.p.-mfg.; Lawrence J. Brady, v.p. & gen. mgr.-display products.

Directors: Anthony I. Blase, T.S. Corwin, Allan Gardner, Frank S. Righeimer, Jr., Albert S. Wells, Jr., James J. Roberts, Jr., William K. Moloney.

Areas of Work: Engaged in the manufacture and assembly of television receivers, game monitors, and data display monitors.

Divisions:

Data Display Division
Produces videomonitors.

Video Games Division
Supplies monochrome and color raster and vector monitors to coin-operated video game industry.

Consumer Products Division
Produces portable and console color television receivers for Teknika Electronics Corp.

Transfer Agent(s):

Harris Bank
111 West Monroe Street
Chicago, Illinois 60603

Stock Exchange(s): American

Ticker Symbol: WGA

Number of Employees:

1985	285	1982	440
1984	335	1981	650
1983	400		

Plant Footage:

1985	270,000 sq. ft.	1982	296,000
1984	296,000	1981	296,000
1983	296,000		

Sales and Earnings

	Net Sales	Net Income †
1985	$ 18,504,000	$ 342,000
1984	17,803,000	(2,156,000)
1983	28,136,000	115,000
1982	75,428,000	5,399,000
1981	79,455,000	7,684,000

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	3,596,809	$ —
1984	3,594,240	—
1983	3,586,654	0.03
1982	3,582,298	1.51
1981	3,575,591	2.15

(Loss)

† Including extraordinary gain of $1,208,000 (40.34) per share) in 1981.

‡ Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	0.3125	—	—
1982	0.475	—	—
1981	0.1875	100%	—

Common Stock Equity

	Total Equity	Equity Per Share †
1985	$ 12,564,012	$ 3.49
1984	12,900,473	3.59
1983	15,056,798	4.20
1982	15,977,860	4.46
1981	13,753,504	3.85

† Based on the weighted average number of common shares outstanding adjusted to reflect stock dividend.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 18,503,794	$ 17,803,319
Cost of sales	17,324,597	19,352,615
Expenses	2,299,884	2,386,425
Other income	(393,836)	(253,298)
Loss bef. taxes	$ (726,851)	$ (3,682,423)
Tax credit	(384,476)	(1,526,098)
Net Loss	$ (342,375)	$ (2,156,325)

* Included in Costs and Expenses, Depreciation: $343,696 in 1985 and $535,575 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 150,833	$ 123,265
Refund. inc. taxes	1,851,988	1,051,726
Accts. receiv., net	1,850,024	1,560,766
Short-term invest.	4,419,058	2,405,480
*Inventories	3,438,937	6,081,310
Prepaid expenses	1,315,162	864,698
Current Assets	$ 13,026,002	$ 12,087,245
#Fixed assets	1,909,200	2,277,672
Total Assets	$ 14,935,202	$ 14,364,917

Liabilities

	1985	1984
Accts. payable	$ 981,937	$ 659,303
Accruals	570,793	673,168
Income taxes payable	705,995	19,604
Curr. Liabilities	$ 2,258,725	$ 1,352,075
Deferred inc. taxes	112,465	112,369
+ Common stock	3,591,010	3,587,010
Add. paid-in capital	—	3,125
Retained earnings	8,973,002	9,310,338
Total Liabilities & Shareholders' Equity	$ 14,935,202	$ 14,364,917

* At lower of cost (LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

	1985	1984
Sales to Inventories	5.38	2.93
Working Capital	$10,767,277	$10,735,170
Current Ratio	5.77	8.94
Shareholders' Equity	$12,564,012	$12,900,473

Western Digital Corporation

2445 McCabe Way
Irvine, California 92714
(714) 557-3550

Officers: Robert W. Johnson, chairman of the board, president & chief executive officer; Joseph Baia, vice-chairman & secretary; William R. Benz, v.p.-finance & chief financial officer; Edward L. Marinaro, exec. v.p. & chief operating officer; Chester A. Brown, v.p. & gen. mgr.-Enhanced Peripherals Division; Robert L. Erickson, v.p.-administration & gen. counsel; Dieter Marenbach, v.p.-corporate development; Alan J. Mattal, sr. v.p.; Joseph F. Pieso, v.p.-sales.

Directors: Robert W. Johnson, chairman of the board; Joseph Baia, Donn B. Tatum, William C. May, James H. Langworthy, Ryan R. Poppa, Robert C. Wilson, I.M. Booth, Andre R. Horn.

Areas of Work: Engaged in the design, development, manufacture and sale of certain types of semiconductor and board products. Utilizing silicon gate CMOS technology, develops a broad line of products and services which include over 100 semiconductor components and board level systems for use in the telecommunications, computer and industrial control markets.

Divisions:

Communications Products Division
Addresses the digital communications market with proprietary products for interface logic, protocol control, and secure communications.

Storage Management Division
Manufactures file management devices for floppy, tape and hard discs.

Enhanced Peripherals Division
Manufactures after-market retail products.

Subsidiaries:

Western Digital (Malaysia) SDN BHD
Kuala Lumpur, Malaysia
Assembles semiconductor devices.

Western Digital Ireland LTD
Dublin Hill, Cork, Ireland
Manufactures boards.

Western Digital Caribe, Inc.
Ponce/Mercedita, Puerto Rico
Manufactures boards.

Transfer Agent(s):

First Interstate Bank of California
707 Wilshire Boulevard
Los Angeles, California

Stock Exchange(s): American

Ticker Symbol: WDC

Number of Employees:

1985 2,000

Plant Footage:

1985 . . . . . . 452,700 sq. ft.

Sales and Earnings

	Revenues +	Net Income †
1985	$ 50,557,000	$ 1,474,000
1984	113,497,000	7,824,000
1983	50,557,000	1,474,000
1982	34,842,000	(7,070,000)
1981	27,010,000	(471,000)

	No. of Com. Shares ‡	Earn. per Share ‡†
1985	18,022,000	$ 0.10
1984	16,000,000	0.49
1983	15,250,000	0.10
1982	13,920,000	—
1981	12,670,000	—

(Loss)
+ Of continuing operations only.
† Including extraordinary gain of $1,852,000 ($0.12 per share) in 1984.
‡ Based on the weighted average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 68,979,000	$ 3.83
1984	43,676,000	2.73
1983	27,135,000	1.78
1982	26,421,000	1.90
1981	34,817,000	2.75

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended June 30	1985	1984
Net sales	$ 177,268,000	$ 113,101,000
Interest	113,000	177,000
Other revenue	—	219,000
Total revenue	$ 177,381,000	$ 113,497,000
Cost of sales	130,153,000	66,975,000
Expenses	45,573,000	33,258,000
Interest expense	5,799,000	3,254,000
Income (loss) before taxes	$ (4,144,000)	$ 10,010,000
Income taxes	500,000	3,743,000
Inc. (loss) - cont. oper.	$ (4,644,000)	$ 6,267,000
Loss. - discont. oper.	—	(295,000)
Net Income (Loss)	$ (4,644,000)	$ 5,972,000
Extraord. gain	—	1,852,000
Net Income (Loss) & Extraord. Gain	$ (4,644,000)	$ 7,824,000

* Included in Costs and Expenses, Depreciation and Amortization: $7,507,000 in 1985 and $4,769,000 in 1984.

Assets

As of June 30	1985	1984
Cash & cash equiv.	$ 2,399,000	$ 1,301,000
Accts. rec., net	53,478,000	34,096,000
*Inventories	55,996,000	45,025,000
Prepaid expenses	2,131,000	1,952,000
Current Assets	$ 114,004,000	$ 82,374,000
#Fixed assets	48,298,000	35,050,000
Other assets	6,683,000	5,997,000
Total Assets	$ 168,985,000	$ 123,421,000

Liabilities

	1985	1984
Short-term borrowings	$ 38,256,000	$ 31,282,000
Long-term debt, curr.	2,700,000	4,731,000
Oblig. under cap. leases, curr.	4,241,000	2,560,000
Accounts payable	28,682,000	19,745,000
Accruals	5,564,000	5,290,000
Income taxes	1,252,000	984,000
Current Liabilities	$ 80,695,000	$ 64,592,000
Long-term debt	6,133,000	5,229,000
Cap. lease oblig.	13,178,000	9,924,000
+Common stock	1,908,000	1,578,000
Add. paid-in capital	73,016,000	43,724,000
Ret. earnings (deficit)	(1,529,000)	2,115,000
Treasury stock	(1,000)	(1,000)
Notes receiv. from stock trust	(3,415,000)	(3,740,000)
Total Liabilities & Shareholders' Equity	$ 168,985,000	$ 123,421,000

* At lower of cost (FIFO) or net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

	1985	1984
%Net Income to Equity	—	13.67
Sales to Inventories	3.17	2.51
Debt to Equity	0.94	— •
Working Capital	$33,309,000	$17,782,000
Current Ratio	1.41	1.28
Shareholders' Equity	$68,979,000	$43,676,000

Western Microwave Laboratories, Inc.

1271 Reamwood Avenue
Sunnyvale, California 94089
(408) 734-1631

Officers: Ken Schoniger, chairman, president & chief executive officer; E.V. Lanes, v.p.-operations; Jeffrey A. Cox, treasurer, controller & secretary; Ferenc A. Marki, v.p.-microwave signal processing division; Fred R. Oliveri, v.p.-passive microwave technology division.

Directors: Ken Schoniger, chairman; M.C. Hone, H.E. Rumsey, J.K. Leidecker, W.H. Kuntz.

Areas of Work: Develops and manufactures microwave ferrite components (isolators and circulators) and microwave integrated components (RF front end assemblies, mixers, isolator couplers and image reject mixers) for commercial and military applications.

Transfer Agent(s):

Bank of America
Corporate Agency Service Center
San Francisco, California

Stock Exchange(s): Over-the-Counter

Ticker Symbol: WMIC (NASDAQ)

Sales and Earnings

	Net Sales #	Net Income ‡
1985	$ 13,848,864	$ 808,138
1984	7,845,922	246,683
1983	5,377,663	232,217
1982	4,125,594	101,329
1981	3,130,322	(213,288)

	No. of Com. Shares	Earn. per Share ‡
1985	1,477,145	$ 0.53
1984	1,448,882	0.17
1983	1,421,532	0.20
1982	1,019,332	0.10
1981	1,017,665	—

# Of continuing operations only.
‡ Including extraordinary gains of $18,600 ($0.01 per share) in 1985, $54,162 ($0.05 per share) in 1983 and $27,400 ($0.03 per share) in 1981.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 5,478,070	$ 3.71
1984	4,601,672	3.18
1983	4,316,758	3.04
1982	1,402,396	1.38
1981	1,295,858	1.27

Income Account *

Year ended Sept. 30	1985	1984
Net sales	$ 13,848,864	$ 7,845,922
Cost of sales	9,367,337	5,652,067
Expenses	3,371,135	1,978,061
Other income	(134,892)	(207,262)
Interest expense	254,146	152,073
Income bef. taxes	$ 991,138	$ 270,983
Income taxes	201,600	24,300
Net Income	$ 789,538	$ 246,683
Extraord. gain	18,600	—
Net Income & Extraord. Gain	$ 808,138	$ 246,683

* Included in Costs and Expenses, Depreciation and Amortization: $768,862 in 1985 and $481,253 in 1984.

Assets

As of Sept. 30	1985	1984
Cash	$ 216,306	$ 301,290
Cert. of deposit	1,301,400	1,501,400
Accts. receiv., net	3,507,154	1,721,376
Notes receivable	—	50,867
*Inventories	2,742,193	2,013,717
Prepaid expenses	26,966	61,652
Deferred taxes	112,100	—
Current Assets	$ 7,906,119	$ [illegible]
Notes receivable	33,000	[illegible]
#Fixed assets	1,710,527	1,720,287
Other assets	101,415	49,965
Total Assets	$ 9,751,061	$ 7,442,554

Liabilities

	1985	1984
Notes payable	$ 215,840	$ 134,641
Income taxes	337,763	—
Long-term debt, curr.	20,767	72,845
Accts. payable	1,222,965	960,198
Accruals	816,628	325,926

Curr. Liabilities	$ 2,613,963	$ 1,493,610
Note payable	1,615,640	1,183,445
Long-term debt	43,388	163,827
+Common stock	147,714	144,888
Add. paid-in capital	4,155,277	4,089,843
Ret. earnings (deficit)	1,175,079	366,941
Total Liabilities & Shareholders' Equity	$ 9,751,061	$ 7,442,554

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.16	3.45
%Net Income to Sales	5.70	3.14
%Net Income to Equity	14.41	5.36
Sales to Inventories	5.05	3.90
Debt to Equity	0.34	0.30
Working Capital	$5,292,156	$4,156,692
Current Ratio	3.02	3.78
Shareholders' Equity	$5,478,070	$4,601,672

Western Pacific Industries Inc.

345 Park Avenue
New York, New York 10154
(212) 751-6464

Officers: Howard A. Newman, chairman of the board & chief executive officer; William C. Scott, president; Roger F. Haskell, v.p., secretary & treasurer; Michael Greenberg, v.p.-finance; Leonard V. Samela, controller; Clare Chervenak, asst. secretary.

Directors: Howard A. Newman*, chairman; A. Leon Fergenson*, Anson C. Fyler, Robert H. Haines*, Robert A. Kavesh, Andrew H. Levy, Joseph R. McCormick, William C. Scott*, Jerry I. Speyer, Howard Stein, Robert G. Stone, Jr.*, Robert L. Tetro.

* Member of the Executive Committee.

Areas of Work: Owns four operating companies which supply precision products, equipment and parts to industry throughout the world.

Subsidiaries:

Veeder-Root Company
Hartford, Connecticut
Attoona, Pennsylvania
Elizabethtown, North Carolina
Los Angeles, California
Designs, manufactures and markets equipment to measure, indicate, record, count and control any motion that can be sensed by mechanical, electrical and electronic inputs, or through the flow of liquids or gases.

Veeder-Root Limited
Dundee, Scotland

Veeder-Root do Brasil
Sao Paulo, Brazil

Veeder-Root GmbH
Stuttgart, West Germany

Veeder-Root of Canada Limited
Toronto, Canada

Veeder-Root (Australia) Pty. Limited
Melbourne, Australia

Veeder-Root S.A.R.L
Paris, France

Holo-Krome Company
West Hartford, Connecticut
Orange, California
Manufactures and markets hexagon-socket screws and special headed parts needed by a wide range of industries, such as machinery, machine tools, electronics, office equipment and transportation.

Holo-Krome Limited
Dundee, Scotland
Birmingham, England

Holo-Krome Australia Pty. Limited (51% owned)
Melbourne, Australia

Iseli Company
Terryville, Connecticut
Walworth, Wisconsin
Produces precision parts on Swiss screw machines for such products as watches, cameras, missiles, cigarette lighters, electronic instruments, and automotive systems.

A.L. Hyde Company
Grenloch, New Jersey
Manufactures industrial plastic moldings for such applications as natural gas pipe fittings, marine pumps and battery cases; extruded thermoplastic rod, tube and sheet for customer fabrications and machining.

Transfer Agent(s):

Manufacturers Hanover Trust Company
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York

Ticker Symbol: WPI

Number of Employees:

1985	2,790	1982	3,000
1984	2,950	1981	4,000
1983	2,775		

Plant Footage:

1985	1,550,000 sq. ft.	1982	1,625,000
1984	1,555,000	1981	1,822,000
1983	1,180,000		

Sales and Earnings

	Net Sales † (000's)	Net Income (000's)
1985	$ 167,765	$ 26,226
1984	167,193	41,114
1983	146,922	23,433
1982	164,192	13,771
1981	220,265	30,097

	No. of Com. Shares	Earn. per Share #
1985	2,319,442	$ 11.31
1984	2,319,442	17.73
1983	2,319,442	10.10
1982	2,319,442	5.94
1981	2,319,442	12.95

† Of continuing operations only.
# Based on the weighted average number of shares outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Counting devices	$ 96,327	$ 91,355
Industrial precision fasteners	37,200	39,502
Industrial precision components	34,238	36,336
Total	$ 167,765	$ 167,193

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 218,809,000	$ 94.34
1984	189,775,000	81.82
1983	151,390,000	65.27
1982	128,546,000	55.42
1981	116,526,000	50.24

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 167,765	$ 167,193
Cost of sales	98,676	96,149
Expenses	35,095	36,481
Invest. income	(21,131)	(45,296)
Interest expense	11,816	11,683
Other expense (income)	1,309	(623)
Income before taxes	$ 42,000	$ 68,799
Income taxes	15,774	27,685
Net Income	$ 26,226	$ 41,114

* Included in Costs and Expenses, Depreciation and Amortization: $5,387,000 in 1985 and $4,783,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash	$ 214,481	$ 165,859
Accts. receiv., net	21,457	19,695
*Inventories	23,871	23,330
Other assets	5,546	4,063
Current Assets	$ 265,355	$ 212,947
Investments	28,989	56,625
#Fixed assets	25,033	21,608
Other assets	2,114	3,010
Total Assets	$ 321,491	$ 294,190

Liabilities
(000's)

Bank loans	$ 84	$ 152
Long-term debt, curr.	418	717
Accts. payable & accruals	21,696	20,481
Income taxes	3,158	5,303
Curr. Liabilities	$ 25,356	$ 26,653
Long term debt	71,938	72,683
Other liabilities	5,388	5,079
+Common stock	3,411	3,411
Add. paid-in capital	61,940	61,940
Retained earnings	195,947	169,721
Treasury stock	(40,228)	(40,228)
Foreign curr. trans. adjustment	(1,971)	(4,094)
Valuation allowance	(290)	(975)
Total Liabilities & Shareholders' Equity	$ 321,491	$ 294,190

* Domestic at cost (LIFO) not in excess of market; foreign at standard cost.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	25.04	41.15
%Net Income to Sales	15.63	24.59
%Net Income to Equity	11.99	21.66
Sales to Inventories	7.03	7.17
Debt to Equity	0.33	0.39
Working Capital	$239,999,000	$186,294,000
Current Ratio	10.47	7.99
Shareholders' Equity	$218,809,000	$189,775,000

Westinghouse Canada Inc.

(95.1% owned by Westinghouse Electric Corporation)

6th Floor, 120 King Street West
Hamilton, Ontario, Canada L8N 3K2
(416) 528-8811

Officers: Franz H. Tyaack, chairman of the board; Edward B. Priestner, president & chief executive officer; Robert H. Broad, treasurer; Laurence K. Burke, comptroller; James K. Carman, v.p.-strategic planning & corporate affairs; Iain W.M. Hendry, v.p., secretary & general counsel; Thomas H. Lawrason, asst. secretary; Gary D. Graham, asst. secretary; R. M. Daniel, v.p.-corporate resources; Jack Nairn, v.p. & gen. mgr.-Sales and Services Division; Owen C. Shewfelt, v.p.-finance; Edwin A. Taylor, v.p.-human resources; N.A. Bryson, v.p. & gen. mgr.-Transformer Nuclear Products & Motor Division; N.F. Budgen, v.p. & gen. mgr.-WESCO; I.B. Gillmore, v.p.-Manitoba-Saskatchewan District; D.G. Hysop, v.p. & gen. mgr.-Electronics, Control & Distribution Products

Division; W. Kostyshyn, v.p. & gen. mgr.-Turbine & Generator Division; R.A. Plouffe, v.p.-Quebec District; F.D. Priestly, v.p.-Alberta District; J.A. Reid, v.p.-British Columbia District; G. Wilkinson, v.p.-Utility Sales; J.R. Williamson, v.p.-Atlantic Division.

Directors: E.J. Cattabiani, A.E. Downing*, L.Y. Fortier, L.W. Yochum, F.H. Tyaack*, D.D. Stark, J.A. Boyle*, L.R. Wilson, W.A. Coates*, E.B. Priestner*, P.M. Marshall.

* Member of the Executive Committee.

Areas of Work: Manufactures a wide range of electrical apparatus, electronic equipment, mechanical products, including steam and gas turbines, switchgear, industrial controls, transformers, motors, meters, instruments, relays, panelboards, switchboards, elevators, power and control centers, semiconductors, electronics products, systems and engineering consulting services for commercial and defense applications; nuclear fuels, special nuclear components, and atomic reactor components. The Company also conducts research in the field of nuclear power-generation.

Divisions:

Turbine and Generator Division
P.O. Box 510
286 Sanford Avenue North
Hamilton, Ontario L8N 3K2
(416) 528-8811

Transformer, Nuclear Products and Motor Division
P.O. Box 510
286 Sanford Avenue North
Hamilton, Ontario L8N 3K2
(416) 528-8811

Electronics, Control and Distribution
Products Division
P.O. Box 510
286 Sanford Avenue North
Hamilton, Ontario L8N 3KZ

Sales and Services Division

Elevator Department
1 Westside Drive
Etobicoke M96 1BZ Ontario
(416) 622-1020

Services Division
5230 South Service Road
Burlington, Ontario
(416) 528-8811

WESCO-Westinghouse Sales & Distribution Co.
240 Duncan Mill Road
Don Mills, Ontario M3B IZ4
(416) 445-0550

Utility Sales Division
240 Duncan Mill Road
Don Mills, Ontario M3B 1Z4
(416) 445-0550

Transfer Agent(s):

National Trust Co.
21 King Street E.
Toronto, Ontario, Canada M5C 1B3

Stock Exchange(s): Toronto

Ticker Symbol: CWH

Number of Employees:

1985	5,758	1982	7,500
1984	5,500	1981	7,600
1983	5,200		

Plant Footage:

1985	4,187,914 sq. ft.	1983	4,097,261
1984	4,124,002	1982	4,201,188

Sales and Earnings ‡

	Net Sales	Net Income
1985	$ 714,620,000	$ 20,517,000
1984	578,155,000	16,041,000
1983	515,821,000	14,027,000
1982	706,744,000	23,916,000
1981	678,730,000	30,351,000

	No. of Com. Shares	Earn. per Share +
1985	2,683,399	$ 7.65
1984	2,683,399	5.98
1983	2,683,399	5.23
1982	2,683,397	8.91
1981	2,683,389	11.31

‡ In Canadian dollars.
+ Based on the number of shares outstanding at the end of each month.

Revenues By Line of Business
(000's)

	1985	1984
Electronics & control	$ 171,040	$ 130,065
Electrical products	294,476	236,077
Services	403,730	332,903
Other	2,616	2,711
Total	$ 871,862	$ 701,756
Elimination of intergroup sales	(157,242)	(123,601)
Total	$ 714,620	$ 578,155

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$3.00	—	—
1984	3.00	—	—
1983	3.00	—	—
1982	3.00	—	—
1981	3.00	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 234,172,000	$ 87.27
1984	221,705,000	82.62
1983	213,714,000	79.64
1982	207,736,000	77.42
1981	191,870,000	71.50

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 714,620	$ 578,155
Cost of sales	666,661	544,575
Depreciation	10,030	9,515
Interest expense	7,458	1,574
Income before taxes	$ 30,471	$ 22,491
Income taxes	9,954	6,450
Net Income	$ 20,517	$ 16,041

Assets
(000's)

As of Dec. 31	1985	1984
Accts. receiv., net	$ 134,323	$ 126,699
*Inventories	183,653	166,881
Other assets	3,436	2,357
Current Assets	$ 321,412	$ 295,937
#Fixed assets	90,055	82,787
Invest. & other assets	7,321	6,695
Total Assets	$ 418,788	$ 385,419

Liabilities
(000's)

Bank indebtness	$ 63,743	$ 30,357
Long-term debt	128	261
Accts. payable & accruals	82,320	104,477
Income taxes payable	7,312	363
Curr. Liabilities	$ 153,503	$ 135,458
Long-term debt	15,284	14,617
Deferred inc. taxes	15,829	13,639
+Common stock	14,948	14,948
Retained earnings	219,224	206,757
Total Liabilities & Shareholders' Equity	$ 418,788	$ 385,419

* At lower of cost and net realizable value, less progress billings received on account.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

%Income bef. Taxes to Sales	4.26	3.89
%Net Income to Sales	2.87	2.77
%Net Income to Equity	8.76	7.24
Sales to Inventories	3.89	3.46
Debt to Equity	0.34	0.20
Working Capital	$167,909,000	$159,192,000
Current Ratio	2.09	2.16
Shareholders' Equity	$234,172,000	$221,705,000

Westinghouse Electric Corporation

Westinghouse Building
Gateway Center
Pittsburgh, Pennsylvania 15222
(412) 244-2000

Officers: Douglas D. Danforth*, chairman and chief executive officer; Robert F. Pugliese*, gen. counsel & secretary.

Energy and Advanced Technology Group:
Thomas J. Murrin*, president; Harry B. Smith, exec. v.p.-defense; Eugene J. Cattabiani, exec. v.p.-power generation; Theodore Stern, exec. v.p.-nuclear energy systems; Earle W. DuBois, v.p.-combustion turbine systems; James S. Moore, v.p.-water reactors; Chester A. Sadlow, exec. v.p.-advanced production technology.

Industries & International Group:
John C. Marous, Jr.*, president; William A. Coates, exec. v.p.-international; Roy W. Gavert, Jr., exec. v.p.-marketing and services; William O. Carlsen, president-Latin America; Clovis F. Obermesser, president-Asia/Pacific; John B. Yasinsky, president-Europe/Africa/Middle-East; Edward B. Priestner, president & chief exec. officer-Westinghouse Canada, Inc.; Joseph W. Baker, v.p.-distribution & protection; Charles E. Bell, v.p.-electronics, measurement & control; Gary M. Clark, v.p.-industries and international marketing; George C. Dorman, v.p.-motor divisions; Jack J. Sherman, v.p.-industry services divisions; William T. Taylor, president-Westinghouse Electric Supply Company; Harry Weingarten, v.p.-transmission and distribution divisions.

Commercial Group:
Douglas D. Stark*, president; Barton S. Brodkin, president-Westinghouse Beverage; H. Joe Frazier, president-Westinghouse Communities, Inc.; David J. Bauhs, president-Westinghouse Elevator Co; Thomas P. Costello, president-Thermo King Corporation; Edward G. Bittner, v.p.-materials.

Westinghouse Broadcasting
Daniel L. Ritchie*, chairman and president; William F. Baker, president-Group W Television; Harry F. Murray, chief executive-Group W Cable; Richard H. Harris, president-Group W Radio.

Finance:
Leo W. Yochum*, sr. exec. v.p.-finance; John B. Ferguson, v.p. & controller; August W. Frisch, v.p. & gen. tax counsel; Donald C. Korb, v.p. & treasurer; John R. McClester, president-Westinghouse Credit Corporation; Robert V. Billings, v.p.-pension investments and investor relations.

Corporate Resources:
Paul E. Lego*, sr. exec. v.p.-corporate resources; Maurice C. Sardi, v.p.-corporate relations; Francis P. Cotter, v.p.-government affairs; John H. Fooks, v.p.-corporate productivity and quality; George F. Mechlin, v.p.-research and development; Donald J. Povejsil, v.p.-corporate planning; Richard L. Reinhart, v.p.-human resources; Alan J. Meilinger, v.p.-purchases, traffic & real estate; A. Richard Whittemore, v.p.-western region; David L. Litten, v.p.-midwestern region; William S.A. McIntyre, v.p.-central region; Charles D. Paine, v.p.-southeastern region; Howard J. Thomas, v.p.-northeastern region; Bruce W. Morrison, v.p.-Atlantic region; J. Stanley Wyble, v.p.-southwestern region.

Law:
Robert F. Pugliese, v.p., gen. counsel & secretary; David L. Trezise, v.p. & gen. labor counsel.

*** Member of the Management Committee.**

Directors: Donald F. Hornig, Roger Milliken, Richard R. Pivirotto, Douglas D. Danforth, David T. McLaughlin, Hays T. Watkins, Barbara H. Franklin, Robert W. Campbell, Rene C. McPherson, John B. Carter.

Areas of Work: The principal business activity of Westinghouse is the manufacture and sale of equipment for the generation, transmission, utilization and control of electricity. Included among the products of the Corporation are electrical and mechanical equipment required by power companies, railroads, city transit systems and industrial plants, propulsion and electrical equipment for the United States Navy and the marine industry; electrical and electronic systems, instrumentation and other equipment for the aerospace industry.

Westinghouse develops, designs and furnishes nuclear power plants, equipment and fuel for the generation of electricity.

Some Westinghouse products, such as motors and control devices, are used by other manufacturers as components for their products. The Corporation is an important manufacturer of military products for the United States Government.

Westinghouse supplies products to the construction industry and engages in conventional construction activities. It also is engaged in land development and sales.

Westinghouse Broadcasting Company owns and operates 12 radio stations and six television stations. Teleprompter, acquired in 1981, operates a nationwide cable TV system serving 1.6 million basic subscribers.

Westinghouse Learning Corporation offers various educational services and materials to schools; sells language instruction courses.

In leisure activities Westinghouse subsidiaries bottle and distribute various soft drink brands; manufacture, assemble and sell wrist watches and other timepieces under the Longines-Wittnauer, LeCoultre and Jubilee trade names.

Westinghouse Credit Corporation engages in the extension of credit in transactions secured by real or personal property and in leasing transactions including leverage leasing.

Westinghouse is engaged in the distribution outside the United States of electrical and other products, primarily those manufactured by Westinghouse. Such distribution is accomplished through a wholly owned subsidiary and through company representatives and independent distributors. The corporation also has a number of subsidiaries outside the United States, the majority of which are engaged in the manufacture and sale of electrical generation, transmission, utilization and control equipment, and consumer products.

Electronics & Related Divisions & Subsidiaries:

Advanced Reactors Division
Waltz Mill, Pennsylvania
Development of advanced designs and concepts of commercial atomic power, including breeder reactors. Comprehensive services in chemical analyses and postirradiation analyses and examination of nuclear fuel and reactor components.

Aerospace and Electronic Systems/Systems Development Divisions
Baltimore, Maryland
Producer of airborne and surface-based radars, communications, command and control, and related electronic systems. Aerospace activities include development and production of sophisticated avionics systems. These include advanced airborne ECM systems, weapon delivery systems, electro-optical systems for reconnaissance and remote sensing, and airborne surveillance radar for airborne early warning and control. Surface-based activities include tactical and shipboard radars, range instrumentation systems, strategic defense systems, and air traffic control systems. Military command and control systems, tactical and strategic communications, displays, and computer systems.

Aerospace Electrical Division
Lima, Ohio
Electric power systems, generators, motors, control apparatus, power conditioning and conversion equipment, and support equipment for military and commercial aircraft, missiles, spacecraft, undersea and ground vehicles.

Astronuclear Laboratory
Large, Pennsylvania
Nuclear, power-reactor and isotope for space, terrestrial, underseas, and other advanced applications; high temperature materials development, and testing and application, thermoelectric environmental control systems, Silicon Carbide devices, non-destructive test equipment, high temperature thermocoupies.

Bryant Division
Bridgeport, Connecticut
Wiring Devices; switches, receptacles, wall plates, plugs, connectors, lampholders and starters; outdoor fixtures for reflector backed lamps and photo electric controls; circuit breakers and load centers; ground fault protectors and multimetering; electric heating; baseboard, ceiling cable, unit heaters, duct heaters, strip heaters, wall heaters.

Computer and Instrumentation and Industry Systems Divisions
Pittsburgh, Pennsylvania
Complete Digital, Analog and combined process control systems and related services for application in the following areas: Automotive; Adaptive Control; Batch Blending; By-Products; Chemical; Cement; Communication; Data Acquisition, Collection and Processing; Dispatching and Distribution; Display; Electronic Component Testing; Environmental Measurements: Fluid Flow, Pressure, Temperature and Level; Gas Distribution; Glass; Heating and Air Conditioning; Machine Tool-Direct Numerical; Marine; Metallurgical; Mining and Ore Processing; Oxygen Monitoring and Control; Petro-Chemical; pH and Conductivity; Plastics, Pollution; Power Generation, Transmission and Distribution; Process Industries; Pulp and Paper; Refineries; Rubber; Security; Scientific; Security and Environmental; Steel; Supervisory; Systems Field Engineering; Customer Training; Traffic; Warehousing and Inventory; Water and Waste Treatment.

Control Products Division
Beaver, Pennsylvania
Control for motors; starters, contactors, relays, pushbuttons; safety switches and enclosed breakers. Numalogic Solid State Control.

Distribution Apparatus Division
Bloomington, Indiana
Capacitors; lightning arresters; fuse cutouts; surge protection devices; reclosers; vacuum circuit breakers; air loadbreak switches; oil switches; T-Tap switches, linetraps, potential devices.

Electric Distribution Laboratory
Coral Springs, Florida
Constant testing and evaluation conducted under actual living environmental conditions with variables introduced by the resident population, weather, etc., encompasses 70 homes and apartments in a new city subdivision permitting use of the latest technology in electric power distribution without traditional hindrance from normal constraints such as codes and legal requirements.

Electromechanical Division
Cheswick, Pennsylvania
Main coolant pumps, valves, control rod drive mechanisms, and other specialized apparatus for nuclear reactors; pumps for controlled circulation boilers.

Electronic Systems Support Division
Cockeysville, Maryland
Nuclear Instrumentation and Control Systems-military and commercial; Integrated Logistics Support Systems-technical training operations, supply support, maintenance planning, field integration and services, support equipment, technical data, facility planning; Electronic Protection Systems-for government and industry.

Westinghouse Elevator Company
Millburn, New Jersey
Manufacturing, sales, service, modernization and maintenance of elevators, escalators and walkways.

General Control Division
Buffalo, New York
Motor starters and controllers; special purpose control; control components; pilot devices; transfer switches.

Chicago, Illinois
Control centers and Type W Jr. group control.

Industry Equipment Division
Sykesville, Maryland
Electric arc welders; electronic beam welders; electrodes, accessories; brazing alloys; Laser systems; power sources. Induction heating equipment, ultrasonic devices for cleaning and processing equipment.

Industrial Systems Division
Buffalo, New York
Design and project management of large electrical drive systems and products for the industrial process and manufacturing systems and all the general industries. Component groupings include adjustable speed drives, crane drives, inverters, rectifiers, programmable controllers, numerical control and automatic material handling systems.

Industry Services Division
Pittsburgh, Pennsylvania

Apparatus Service Divisions
Pittsburgh, Pennsylvania
Sixty apparatus service plants and 75 engineering services locations strategically located domestically to service all industries around the clock. Modern facilities and engineering skills are available to maintain, repair and modernize mechanical and electrical equipment regardless of original manufacture. Also manufacturing and repair and engineering services are available at various locations throughout the world.

Westinghouse Instrument Service Co.
Atlanta, Georgia
Instrumentation and control capabilities include installation, calibration, commissioning, start-up, maintenance, instrumentation repair facilities.

Westinghouse Non-Current Renewal Parts and Special Products Plant
Pittsburgh, Pennsylvania
Manufacturer of Specialty products including non-current apparatus and parts. Product lines include: A.C. and D.C. motors and gearmotors, transportation motors, industrial control, pushbuttons, knife switches, circuit breakers, pantagraphs, bolt heaters and carbon brushes.

Marine Division
Sunnyvale, California
Marine propulsion steam turbines and reduction gears; ship's service turbine generator sets; Nuclear components manufacture, electrical, mechanical and shock mitigation components for missile and rocket programs, missile launching and handling equipment, sub-sea oilwell equipment.

Meter Division
Raleigh, North Carolina
Watthour, demand, recording meters, sockets and accessories. Pulse equipment for electric utility automated system analysis, planning, billing and environmental monitoring, and range timers.

Power Systems Planning
Advanced Systems Technology
Pittsburgh, Pennsylvania
Provides a large library of digital power system planning and analysis programs available through mail order consulting or via remote terminals. Operates Anacom analogue computer for transient analysis, mobile laboratories for field transient measurements, oscillography lab for field use, electromagnetic compatibility measurements. Contracts research and development services, from feasibility studies to project management and construction, for prototype systems in generation, transmission and distribution.

Relay-Instrument Division
Newark, New Jersey
Electrical measuring instruments of all types; protective relays and relaying systems; relay instrument switch-boards, control and data systems.

Research Laboratories
Pittsburgh, Pennsylvania
Basic and applied research in chemistry, physics, mathematics, energy systems, solid state sciences, solid state devices, materials, materials processing, instrumentation, systems, communication, control electronics, power electronics, oceanography, and georesearch. Work done primarily in support of Westinghouse operating divisions, but also conducts contract research for the U.S. Government.

Semiconductor Division
Youngwood, Pennsylvania
Silicon rectifier diodes, silicon controlled rectifiers, silicon power transistors, silicon rectifier and controlled rectifier assemblies.

Specialty Transformer Division
Greenville, Pennsylvania
Cores: specialty transformer. Saturable core inductor, Navy dry type transformers; constant voltage and filtering transformers; load centers 30 kva and below.

Switchgear Division
East Pittsburgh, Pennsylvania

Assembled switchgear; high voltage fuses, network protectors; generator voltage regulators and automatic synchronizers; disconnect switches, substation structures, switchgear components, medium and low voltage air circuit breakers; control switches (type W); switchgear accessories; draw-out load interrupter switchgear

Transformer Divisions:

Large Power Transformer Division
Muncie, Indiana
Power transformers above 30,000 kva. liquid immersed shunt reactors above 10,000 kva, regulating and furnace transformers above 30,000 kva.

Medium Power Transformer Division
Sharon, Pennsylvania
Power transformers 10,001 to 60,000 kva; substation transformers 5,001 to 10,000 kva; grounding and rectifier transformers; dry type distribution transformers; dry type power center transformers 112-1/2 to 2500 kva; regulating and furnace transformers 30,000 kva and below; current and potential transformers; metering units.

Small Power Transformer Division
South Boston, Virginia
Liquid immersed (oil or Inerteen) auto transformers, network transformers; pad-mounted transformers; substation transformers and underground transformers 501 to 5,000 kva, and power center (secondary unit substations) 112-1/2 to 2500 kva.
Overhead Distribution Transformer Division
Athens, Georgia
Overhead liquid immersed distribution transformers.

Underground Distribution Transformer Division
Jefferson City, Missouri
Underground distribution transformers and equipment.

Oceanic Division
Annapolis, Maryland
Surveillance; sonar detection; data handling and display; instrumentation; oceanographic systems and equipment; flow meters; life support equipment; underwater systems, equipment and associated support items; torpedoes; advanced weapons; mine, weapon and CW countermeasures.

Westinghouse Tele-Computer Systems Corporation
Pittsburgh, Pennsylvania
A wide range of user-oriented problem-solving services involving both manual and computer-based information systems. Computing services, consulting services, data processing services, software services, tele-communications services; warehouse information systems.

Compagnie des Dispositifs Semiconducteurs
Westinghouse S.A.
B.P. 107
Avenue George-Durand
72 Le Mans, France
Assemblies, silicon rectifier and controlled rectifier, battery chargers; battery charging control; bridges, silicon rectifier and controlled rectifier, power supplies, and battery chargers; rectifier assemblies; rectifier diodes, silicon; semiconductors; silicon controlled rectifiers; silicon rectifiers.

Fusibles Westinghouse de Puerto Rico, Inc.
Luquillo, Puerto Rico
Power fuses.

Induselet, S.A.
Osasco, S.P., Brazil
Circuit breakers; enclosed circuit breakers; power centers; reactors; substations, CSP, transformers, distribution, transformers, power.

Marimi and Aminelli S.A.
Sao Paulo, Brazil
Disconnect switches; automated circuit breakers; push buttons; minimum oil circuit breakers; power fuses; bus duct; outdoor disconnect switches; switchboard and cubicles.

Semiconductors Westinghouse, Inc.
Gurabo, Puerto Rico
Medium and high power thyristors, rectifiers and bridge assemblies.

Servicios Industriales Westinghouse
Una Division de Venwesa
Apartado 542
Zona Industrial
Maracaibo, Venezuela
Room air conditioners; circuit breakers; control centers; group control; motor controls; power, regulating, synchronizing systems; freezers; fuses, power; motors; network protectors; network protector relays; panelboards; power centers; power centers for construction applications; refrigerators, domestic; regulators; relators, feeder voltage; repair service; static exciters; substation structures; substations; switchboards; switches; switchgear, accessories switchgear, assembled; synchronizers, generator; transformers, distribution; power transformers; turbine supervisory instrumentation.

Standard-Waygood, Ltd.
P.O. Box 13 Miowera Road
Willawood, N.S.W., 2163, Australia
Electrical adjustable speed drives, hi-torque assemblies, silicon rectifier and controlled rectifier, bus duct; circuit breakers; control centers; control, crane and defense; control, general mill; control, group; control, machine tool; control, materials handling; control, metal mill; control, numerical; control systems, electrical; drives, adjustable speed, electrical; induction heating equipment; installation supervision, electrical apparatus; instructional services; inverters, staticlarge dc motors; network protectors; network protector relays; numerical control; panelboards; power centers; power supplies, dc and battery chargers; reactors; rectifier assemblies; rectifier equipment, power, regulated systems; regulators, feeder voltage; service, electric (field engineering); substations, CSP; switchboards; switchgear; systems, industrial; transformers; self-contained power, unit substations.

Transformadores Westinghouse, Inc.
P.O. Box 127
Road 30, K.M.6.0.Barrio Rincon
Gurabo, Puerto Rico 00658
Transformers for general purpose applications.

Tubos Electronicos Westinghouse, Inc.
P.O. Box 127
Road 30. M.6.0. Barrio Rincon
Gurabo, Puerto Rico 00658
Electronic tubes.

Tyree Industries, Ltd.
P.O. Box 315
Liverpool, N.S.W. 2170, Australia
Capacitors; line traps, carrier, potential devicers, capacitors; reactors; power transformers; distribution transformers; instrument transformers.

Westinghouse Breakers, Inc.
Puerto Rico
Manufacture and assembly of circuit breakers.

Westinghouse Canada Limited
286 Sanford Avenue North
P.O. Box 510
Hamilton, Ontario, Canada
Adjustable speed drives-electrical; adjustable speed drives-mechanical, air cleaning units; air conditioners; central air conditioning; air handling lighting fixtures; air handling units; airport lighting regulators (solid state); lighting arresters; audio tone relaying systems; automatic dispatching control; automatic transfer switches; ballasts, lighting; bases, lightbulb and electron tube; battery charging control; blowers; bus duct; bus, high voltage; capacitors; carrier relaying systems; circuit breakers; circuit breakers, molded case, loadcenter, circuit breakers, vacuum; commercial lighting; computerized metering systems; computers, digital; conductors, copper and aluminum; contactors, ac and dc; control centers; control components; control components, ac; control components, ac and dc; control, crane and defense; control devices; control, general mill; control, group; control, machine tool; control, materials handling; control, metal mill; control numerical; control special purpose; control, standard; control systems, electrical; control systems, chemical properties; control systems, electrical; control systems, chemical properties; control systems, combustion, flow and level, pressure and differential pressure, temperature-temperature difference; controls for motors; controls, supervisory and telemetering; cores for transformers; cutouts, fuse; dehumidifiers, residential; direct current HV transmission equipment systems; dishwashers; displays, CRT alphanumeric and graphical (WAND) ® drives; drum controllers; dry cleaners, commercial dryers electric and gas; duct heaters, gas and electric; Dumet (copperclad); electric stairways; electric space heaters, baseboard heaters, electric walks; electric tubes; electrostatic air filters; Precipitron ®, elevators, electric geared and gearless, hydraulic; enclosed circuit breakers; energy storage equipment; environmental data systems; fans; filaments, tungsten, fluorescent lamps; food waste disposers; freezers, fuses and fuse links; fuses power; gas turbines, land; gear units; gearmotors; gears, railway; ground fault protectors; heaters, electric; heaters, portable; housewares, electric; blankets, blenders, can openers, coffee makers, knives, food mixers, fry pans, hair stylers, irons, kettles, toasters, automatic; hydraulic products; industrial lighting; infra-red heaters, electric; installation supervision, electrical apparatus; instructional services; instrument auxiliary equipment; instruments, analog; integrated circuits; interlocks; inverters, static; lamps; Laundromat ® automatic washers; lead-in wires, lamp and electronic tube; lighting, outdoor fluorescent, incandescent, mercury vapor, quartz, sodium; lighting fixtures; lighting, interior lighting, specialty interior; lights, indicating control; line tracing electronic systems (Linatrol ®); line traps, carrier, liquid dielectrics, oil and Inerteen ® ; load centers, circuit breaker; mercury lighting; metals; Hi-purity single crystal; meter accessories, watthour, meters, demand; meters, mine-hoists friction treads. Westoflex ® ; mine-hoists (Select-A-Level ®); molybdenum-wire, rod, powder; motor starters and controllers; motors, ac integral hp, thru frame 449T; multimetering; network protectors; network protector relays; numerical control; panel instruments; panelboards; phonographs; photo-electric controls; pilot devices; pilot wire relaying systems; portable instruments; potential devices, capacitor; power centers; power centers for construction applications; power supplies, dc; power supplies, dc and battery chargers; protective devices, surge; protective relays, electromechanical and solid state; protective relays, general purpose overboard control; pulse recorders; pulse totalizing equipment; pumping control, duplex, irrigation, oil well; push-buttons; radios; ranges, electric; range timers (consumer); reactors; reactors, charging; reactors, saturable core reclosers; recording instruments; rectifier equipment, power; reflectors, outdoor lighting; refrigeration; refrigerators, domestic; regulated systems; regulators; feeder voltage; relaying systems; relay-instrument switchboards; relays; relays, protective, solid state, and electromechanical; relays, solid state; relays for roadway lighting; repair service; roadway lighting safety switches; sectionalizers, automatic line; service, electric (field engineering); sewage treatment plants, packages; sockets and mountings, meter, sonar devices; speciality lighting products; speed measuring systems; speed reducers; stabilized camera and sensor mounts with high resolution, (WESSCAM®); starters for electric motors, static exciters; steam laboratory demonstration unit, steam turbine generators, land; Sterilamp equipment; strip heaters; substation structures; substations; CSP, surge protection equipment; supervisory control and telemetering; switchboard instrument; switchboards, relay-instrument; switchboards; switches, switches for roadway lighting; switches, load pick-up; switchgear; switchgear assembles with mini-oil circuit breakers up to 35kv; switchgear accessories; switchgear, assembled; switch houses; systems, industrial; synchronizers, generator, systems, relaying and supervisory control; tape recorders; terminal blocks; thorium; thyristor drives and power supplies (water-cooled); timers, ranger (consumer); transducers, current; transducers, instrument; transfer instrument; transfer switches, automatic transformers, dry type; transformers for roadway lighting; transformer protective devices; transformers, distribution; transformers, power, transformers, specialty; translation equipment turbine supervisory intrumentation; tubing, glass and quartz, T.V. unit heaters, electric; unit substations, self-contained; ventilating sets; water-cooled lighting fixtures; water coolers; water heaters; water tank thermostats; wire-Dumet; wire forms; wire, magnet; wiring devices.

Westinghouse de Venezuela, S.A.
Div. Pantallas de Television
Apartado 1889
Caracas, Venezuela
Electronic tubes, TV picture tubes.
H. Maihak AG
West Germany

Transfer Agent(s):

Harris Trust Company of New York
110 William Street
9th Floor
New York, New York 10038

Mellon Bank, N.A.
Stock Transfer Department
P.O. Box 444
Pittsburgh, Pennsylvania 15230

Stock Exchange(s): New York, Boston, Philadelphia, Midwest, Pacific.

Ticker Symbol: WX

Number of Employees:

1985	124,935	1982	145,251
1984	126,849	1981	147,841
1983	132,927		

Sales and Earnings

	Net Sales + (000's)	Net Income (000's)
1985	$ 10,700,200	$ 605,300
1984	10,264,500	535,900
1983	9,532,600	449,000
1982	9,745,400	449,300
1981	9,367,500	438,000

Westinghouse Electric Corporation

	No. of Com. Shares ‡	Earn. per Share +
1985	172,488,375	$ 3.52
1984	177,301,873	3.04
1983	176,881,388	2.54
1982	173,981,498	2.58
1981	171,785,296	2.55

+ Of continuing operations only.
‡ Based on the average number of shares outstanding adjustd to reflect stock split.

Revenues By Line of Business
(000's)

	1985	1984
Energy & advanced tech.	$ 4,407,800	$ 4,077,300
Industrial	3,732,300	3,638,000
Commercial	1,750,800	1,843,700
Broadcasting & cable	1,069,200	984,900
Divested units	119,900	114,100
Intersegment sales	(379,800)	(393,500)
Total	$ 10,700,200	$ 10,264,500

Common Stock

	Cash Dividend#	Stock Dividend	Stock Split
1985	$1.15	—	—
1984	0.975	—	2-for-1
1983	0.90	—	—
1982	0.90	—	—
1981	0.90	—	—

Common Stock Equity

	Total Equity	Equity Per Share #
1985	$3,234,700,000	$ 18.75
1984	3,740,800,000	21.10
1983	3,410,300,000	19.28
1982	3,175,000,000	18.25
1981	2,820,700,000	16.42

# Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 10,700,200	$ 10,264,500
Cost of sales	7,737,900	7,579,800
Expenses	1,771,200	1,648,700
Depreciation	449,000	426,000
Interest expense	185,000	176,600
Eq. in inc. of fin. subsid.	(120,800)	(105,200)
Other income	(118,000)	(123,600)
Income before taxes	$ 795,900	$ 662,200
Income taxes	188,600	122,600
Minority interest	2,000	3,700
Net Income	$ 605,300	$ 535,900

Assets
(000's)

As of Dec. 31	1985	1984
Cash & marketable securities	$ 702,100	$ 611,500
Accts. receiv., net	2,032,300	1,819,300
Costs in excess of billings	152,200	154,100
*Inventories	1,109,500	943,400
Prepaid & other current assets	595,100	608,300
Current Assets	$ 4,591,200	$ 4,136,600
Investments	762,300	694,800
#Fixed assets	3,300,200	3,295,400
Other assets	1,027,900	1,023,600
Total Assets	$ 9,681,600	$ 9,150,400

Liabilities
(000's)

Long-term debt, curr. & short-term loans	$ 2,039,200	$ 1,115,100
Accts. payable	625,500	600,200
Billings in excess of costs	1,096,800	1,095,600
Other current liabilities	1,462,100	1,439,000
Curr. Liabilities	$ 5,223,600	$ 4,249,900
Debentures & other debts	525,300	567,300
Minority interest	33,100	30,400
Other liabilities	664,900	562,000
+ Common stock	180,600	180,400
Add. paid-in capital	672,800	661,400
Retained earnings	3,470,700	3,063,500
Treasury stock	(1,023,700)	(99,200)
Cum. trans. adjust.	(65,700)	(65,300)
Total Liabilities & Shareholders' Equity	$ 9,681,600	$ 9,150,400

* At LIFO or current standard costs, which approximate actual or average cost.
# Less accumulated depreciation.
+ $3.125 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.44	6.45
%Net Income to Sales	5.66	5.22
%Net Income to Equity	18.71	14.33
Sales to Inventories	9.64	10.88
Debt to Equity	0.16	0.45
Shareholders' Equity	$3,234,700,000	$3,740,800,000

Whirlpool Corporation

Benton Harbor, Michigan 49022
(616) 925-5000

Officers: Jack D. Sparks, president, chairman of the board & chief executive officer; George E. Wardeberg, vice chairman & chief operating officer; David R. Whitwam, vice chairman & chief marketing officer; Samuel M. Bateman, Charles D. Putnam, Robert L. Brintnall, exec. v.p.'s; Robert J. Flauit, Stephen E. Upton, Lloyd A. Wampach, sr. v.p.'s; Robert F. Gunts, William D. Marohn, Lawrence J. Kremer, H. w. Bowman, E. R. Dunn, Robert I. Frey, Glenn E. Holubar, Charles Z. Jespersen, August Brogno, v.p.'s; William Houseal, asst. secretary; William E. Naylor, Robert R. Swender, asst. treasurers; James K. Doan, controller; Daniel F. Hopp, secretary.

Directors: Victor A. Bonomo, Roy D. Chapin, Jr., Douglas D. Danforth, John H. Platts, John H. Gerstenmaier, Bert E. Phillips, Robert A. Burnett, Philip L. Smith, Jack D. Sparks, Jack B. St. Clair, Kenneth J. Whalen, George E. Wardeberg, David R. Whitwam.

Areas of Work: Manufactures home and commercial appliances, including microwave ovens, washers, dryers, refrigerators, ice makers, coolers, vacuum cleaners, ovens, dishwashers, dehumidifiers, freezers, central heating equipment, air conditioners and trash compactors.

Subsidiaries:

Heil-Quaker Corporation
Lewisburg, LaVergne, Tennessee
Produces furnaces, heaters and central electric air conditioners.

Whirlpool Acceptance Corporation
Benton Harbor, Michigan
A wholly owned finance subsidiary.

Whirlpool Trading Company
Benton Harbor, Michigan

Inglis Limited (majority owned)
Toronto, Canada
Supplier of major home appliances

Acquisition(s):

Mastercraft Industries Corp.
Denver, Colorado
Manufactures kitchen cabinets

Foreign Affiliates:

Brastemp, S.A.
Sao Paulo, Brazil

Consul S.A.
Joinville, Brazil

Embraco, S.A.
Joinville, Brazil

Transfer Agent(s):

Harris Trust and Savings Bank
Stock Transfer Division
111 West Monroe Street
Chicago, Illinois 60690

Stock Exchange(s): New York, Midwest

Ticker Symbol: WHR

Number of Employees:

1985	25,524	1982	18,949
1984	22,004	1981	19,312
1983	22,627		

Plant Footage:

1985	N.A.	1982	11,282,000
1984	10,095,000 sq.ft.	1981	11,575,000
1983	11,298,000		

N.A. - Not Available.

Sales and Earnings

	Net Sales +	Net Income
1985	$3,474,456,000	$ 182,319,000
1984	3,137,482,000	189,565,000
1983	2,667,682,000	167,038,000
1982	2,271,305,000	139,015,000
1981	2,437,091,000	125,560,000

	No. of Com. Shares	Earn. per Share #
1985	36,662,484	$ 4.98
1984	36,616,392	5.18
1983	36,534,515	4.58
1982	36,429,523	3.83
1981	36,264,728	3.46

+ Of continuing operations only.
# Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1985	1984
Home laundry appliances	$1,300,981,000	$1,136,664,000
Home refrigeration & room air conditioning	1,227,909,000	1,159,493,000
Other household appliances	690,792,000	581,771,000
Other products & svcs.	254,774,000	259,554,000
Total	$3,474,456,000	$3,137,482,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$2.06	—	—
1984	2.00	—	—
1983	1.85	—	—
1982	1.65	—	—
1981	1.60	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$1,206,620,000	$ 32.91
1984	1,096,282,000	29.94
1983	977,648,000	26.76
1982	875,074,000	24.02
1981	791,829,000	21.83

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 3,474,456	$ 3,137,482
Eq. in earn. of affil. cos.	21,323	27,411
Other income	32,260	42,919
Total Income	$ 3,528,039	$ 3,207,812
Cost of sales	2,748,421	2,476,235
Expenses	450,196	388,591
Interest expense	7,665	6,557
Provision for plant closings	—	4,564
Minority interest	3,938	—
Income before taxes	$ 317,819	$ 331,865
Income taxes	135,500	142,300
Net Income	$ 182,319	$ 189,565

* Included in Costs and Expenses, Depreciation and Amortization: $86,982,000 in 1985 and $70,170,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & short-term invest.	$ 301,047	$ 310,621
Receiv., net	247,480	199,476
Def. inc. taxes	—	7,890
*Inventories	386,183	359,726
Prepaid expenses	37,646	34,719
Current Assets	$ 972,356	$ 912,432
Investments & other assets	279,780	265,672
#Fixed assets	508,212	386,911
Total Assets	$ 1,760,348	$ 1,565,015

Liabilities
(000's)

	1985	1984
Notes payable	$ 4,446	$ —
Accts. payable	205,862	195,613
Accruals	71,883	71,341
Accrued payroll & other compen.	91,620	84,899
Income taxes	—	3,922
Product warranty	16,624	19,979
Long-term debt, curr.	10,170	—
Deferred income taxes	20,779	
Curr. Liabilities	$ 421,384	$ 375,754
Long-term debt	49,315	52,751
Product warranty	15,015	14,432
Deferred inc. taxes	42,706	25,796
Minority interest	25,308	—
+ Common stock	35,662	36,617
Add. paid-in capital	33,887	32,620
Retained earnings	1,136,071	1,027,045
Total Liabilities & Shareholders' Equity	$ 1,760,348	$ 1,565,015

* At lower of cost or market. Large appliances stated at LIFO, remainder at FIFO.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

% Income bef. Taxes to Sales	9.15	10.58
% Net Income to Sales	5.25	6.04
% Net Income to Equity	15.11	17.29
Sales to Inventories	9.00	8.72
Debt to Equity	0.04	0.05
Working Capital	$ 550,972,000	$ 536,678,000
Current Ratio	2.31	2.43
Shareholders' Equity	$1,206,620,000	$1,096,282,000

Whitehall Corporation

2659 Nova Drive
Dallas, Texas 75229
(214) 247-8747

Mailing address:

P.O. Box 29709
Dallas, Texas 75229

Officers: Lee D. Webster, chairman of the board and president; Carl R. Anderson, v.p. & treasurer; George M. Pavey, vice president; George Slover, Jr., secretary.

Directors: Lee D. Webster, chairman; George M. Pavey, Robert B. Gilmore, John A. Crichton, Henry I. McGee, Jr., J.L. Huffines, Jr., John H. Wilson, III.

Areas of Work: Divided into four groups: Earth Sciences, Aerospace, Defense Electronics and Electronic Components. The Earth Sciences Group manufactures and sells underwater sensing systems used for offshore geophysical surveys and naval surveillances. The Aerospace Group rebuilds and modifies military aircraft airframes and electronic systems. The Defense Electronics Group was formed in 1983 to participate in the electronic warfare market. The Electronic Components Group manufactures and markets frequency controlling quartz crystals.

Divisions and Subsidiaries:

Crystek Crystals Corporation
1000 Crystal Drive
Fort Myers, Florida 33901
(813) 936-2100

Seismic Engineering Company
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581

Avionics Division
1133 Empire Central
Dallas, Texas 75247
(214) 631-3012

Rogers Explorations, Inc.
2659 Nova Drive
Dallas, Texas 75229

Electroscience Division
1133 Empire Central
Dallas, Texas 75247
(214) 631-3373

Hydroscience, Inc.
2659 Nova Drive
Dallas, Texas 75229
(214) 247-9052

Seismic Explorations International, S.A.
2659 Nova Drive
Dallas, Texas 75229
(214) 241-7581

Whitehall Export, Inc.
P.O. Box 29709
Dallas, Texas 75229
(214) 247-8747

Aero Corporation
Lake City, Florida 32055
(904) 752-7911

Transfer Agent(s):

BancTEXAS Dallas, N.A.
Dallas, Texas

Stock Exchange(s): New York

Ticker Symbol: WHT

Number of Employees:

1985	1,366	1982	1,427
1984	1,498	1981	1,457
1983	1,392		

Plant Footage:

1985	846,000 sq. ft.	1982	846,000
1984	846,000	1981	781,000
983	846,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 55,720,844	$ 9,313,115
1984	63,277,276	9,381,403
1983	64,537,571	11,478,185
1982	63,084,491	8,826,631
1981	53,910,743	4,906,268

	No. of Com. Shares ‡	Earn. per Share ‡
1985	3,702,893	$ 2.52
1984	3,719,040	2.52
1983	3,760,948	3.05
1982	3,762,756	2.35
1981	3,762,756	1.30

‡ Based on the average number of common shares and common share equivalents outstanding adjusted to reflect stock split.

Revenues By Line of Business

	1985	1984
Electronic components	$ 1,808,000	$ 2,949,000
Geophysical equipment & exploration service	16,948,000	23,354,000
Aircraft repair & maintenance	36,965,000	36,974,000
Total	$ 55,721,000	$ 63,277,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	—	—	—
1981	—	—	2-for-1

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 55,557,465	$ 15.11
1984	46,935,000	12.66
1983	38,729,000	10.32
1982	27,622,000	7.34
1981	18,795,000	5.00

‡ Adjusted to reflect stock split.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 55,720,844	$ 63,277,276
Other inc.	1,538,505	1,086,117
Total Income	$ 57,259,349	$ 64,363,393
Cost of sales	33,535,096	39,278,484
Expenses	7,038,031	7,793,260
Interest expense	63,107	272,246
Income before taxes	$ 16,623,115	$ 17,019,403
Income taxes	7,310,000	7,638,000
Net Income	$ 9,313,115	$ 9,381,403

* Included in Costs and Expenses, Depreciation and Amortization: $3,793,667 in 1985 and $3,236,075 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 26,540,888	$ 11,608,900
Accts. receiv., net	25,649,794	36,621,657
*Inventories	10,436,240	11,656,429
Prepaid expenses	2,238,210	921,064
Current Assets	$ 64,865,132	$ 60,808,050
#Fixed assets	21,885,016	16,550,537
Total Assets	$ 86,750,148	$ 77,358,587

Liabilities

Long-term debt, curr.	$ —	$ 410,579
Accts. payable & accruals	6,734,741	4,714,240
Income taxes	3,065,542	13,680,599
Curr. Liabilities	$ 9,800,283	$ 18,805,418
Deferred inc. taxes	21,392,400	11,617,669
+Common stock	377,376	377,376
Add. paid-in capital	1,053,211	1,053,211
Retained earnings	56,390,649	47,077,534
Treasury Stock	(2,263,771)	(1,572,621)
Total Liabilities & Shareholders' Equity	$ 86,750,148	$ 77,358,587

* At average cost not in excess of market.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	29.83	26.90
%Net Income to Sales	16.71	14.83
%Net Income to Equity	16.76	19.99
Sales to Inventories	5.34	5.43
Working Capital	$55,064,849	$42,002,632
Current Ratio	6.62	3.23
Shareholders' Equity	$55,557,465	$46,935,500

Whittaker Corporation

10880 Wilshire Boulevard
Los Angeles, California 90024
(213) 475-9411

Officers: Joseph F. Alibrandi, chairman & chief executive officer; Gregory T. Parkos, president & chief operating officer; Daniel Hofmann, v.p. & chief accounting officer; Alan D. Jacobson, exec. v.p.-administration, chief financial officer & treasurer; Joseph L. Marcarelli, sr. v.p.; Frank C. Buhlman, Jean d'Aligny d'Assignies, George H. Hunter, Jr., John D. Freitag, Robert W. Murray, Ronald W. Johnston, Bruce Blomstrom, Douglas W. Huemme, Gary B. Wyngarden, Gordon J. Louttit, v.p.'s; Ronald C. Moss, v.p. & controller; Edward R. Muller, v.p. & secretary.

Directors: Joseph F. Alibrandi*, Sanford Kaplan*, Alan D. Jacobsen, J. Dewey Daane, Walter B. Gerken, Robert Reznick*, Edmund F. Ackell, John C. West, Frank J. Rauscher Jr., Carl E. Hartnack*, Gregory T. Parkos*.

* Member of the Executive Committee.

Areas of Work: The Company is involved in five separate areas: metals, technology, marine and recreation, life sciences and chemicals. Products include alloys, steels, tubular metal products, metal castings, fabricated metal products; biomedical research and testing, biomedical equipment, yachts, special-purpose craft, hydraulic equipment, fluid controls, electronic equipment, high energy batteries, irrigation equipment, pyrotechnics and propellants, industrial finishes, plastics products and rubber-to-metal adhesives.

Electronics & Related Divisions & Subsidiaries:

Bennes Marrel S.A.
Zone Industrielle
42161-Andrezieux-Boutheon Cedex
France

Trucking tipping bodies and packing units; bulk handling equipment; solid waste handling and compacting systems; airport service and maintenance equipment; hydraulic power and control systems; power steering and power transmission equipment.

Electronic Resources Division
100 East Tujunga Avenue
Burbank, California 91502
(818) 843-5770

High temperature coaxial cables; electronic components and subsystems; mechanical and electronic counters.

Bermite Division
22116 West Soledad Canyon Road
Saugus, California 91350
(213) 627-5175

Electrochemical devices and propulsion systems; flares, igniters and initiators; fuses; and pyrotechnic devices.

Tasker Systems Division
1785 Voyager Avenue
Simi Valley, California 93063
(805) 584-8200

Air traffic control systems; antenna tracking devices; radar simulators; radar tracking devices; tactical radar jammers; electronic components and subsystems.

Yardney Battery Division
82 Mechanic Street
Pawcatuck, Connecticut 06379
(203) 599-1100

High-energy density batteries; high-intensity portable lights; battery chargers and control systems; marine emergency beacons; irrigation system filters.

Whittaker Controls, Inc.
12838 Saticoy Street
North Hollywood, California 91605
(818) 765-8160

Valves, actuators and pumps for aircraft hydraulic, pneumatic and fuel systems; electronic proximity switches.

Command, Control & Communications Corporation
23670 Hawthorne Boulevard
Torrance, California 90505
(213) 373-9651

Produces computerized electronic integrators which link together the various intelligence systems of the military to achieve overall pictures of battlezones.

Elsin Corporation
3080 Oakmead Village Drive
Santa Clara, California 95051
(408) 748-9900

Holex, Inc.
2751 San Juan Road
Hollister, California 95023
(408) 637-5851

Power Sources Division
3850 Olive Street
Denver, Colorado 80207
(303) 388-4836

Water Management Products Divison
666 Box Springs Boulevard
Riverside, California 92507
(714) 656-6716

Transfer Agent(s):

Manufacturers Hanover Trust Company
Securityholder Relations
450 West 33rd Street
New York, New York 10001

Stock Exchange(s): New York, Pacific

Ticker Symbol: WKR

Number of Employees:

1985	8,700	1982	17,300
1984	10,800	1981	17,000
1983	16,800		

Plant Footage:

1985	7,000,000 sq. ft.	1982	9,000,000
1984	9,000,000	1981	9,000,000
1983	9,000,000		

Sales and Earnings

	Net Sales (000's)	Net Income (000's)
1985	$ 1,130,478	$ 19,867
1984	1,437,026	43,870
1983	1,602,825	37,609
1982	1,673,604	58,688
1981	1,671,837	69,328

	No. of Com. Shares #	Earn. per Share #
1985	13,780,000	$ 1.40
1984	14,375,000	3.01
1983	14,508,000	2.55
1982	15,411,000	3.77
1981	15,619,000	4.40

Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Metals	$ 300,600	$ 277,988
Technology	230,900	207,124
Marine	53,300	121,483
Chemical	120,400	106,761
Life Sciences	425,300	723,670
Total	$ 1,130,500	$ 1,437,026

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.60	—	—
1984	1.35	—	—
1983	1.60	—	—
1982	1.60	—	—
1981	1.40	—	—

Common Stock Equity

	Total Equity ‡	Equity Per Share
1985	$ 377,450,780	$ 28.44
1984	335,601,880	24.88
1983	334,043,620	23.97
1982	322,084,605	23.28
1981	332,195,975	22.23

‡ After allowing for $1.25 and $5 cumulative convertible preferred stock at redemption values of $35 and $100.

Income Account *
(000's)

Year ended Oct. 31	1985	1984
Net sales	$ 1,130,478	$ 1,437,026
Cost of sales	892,016	1,119,059
Expenses	201,270	183,536
Interest expense	12,797	15,967
Other interest	(9,226)	(5,051)
Non-recurr. items	29,081	11,944
Loss on invest.	19,473	7,000
Minority interest	(172)	19,217
Inc. (loss) bef. taxes	$ (14,761)	$ 85,354
Income taxes (credit)	(34,628)	41,484
Net Income	$ 19,867	$ 43,870

* Included in Costs and Expenses, Depreciation and Amortization: $21,051,000 in 1985 and $21,475,000 in 1984.

Assets
(000's)

As of Oct. 31	1985	1984
Cash	$ 25,354	$ 26,267
Time deposits	85,434	40,572
Receiv., net	205,039	253,208
Deferred taxes	36,062	32,110
*Inventories	183,227	213,569
Prepaid expenses	2,308	3,253
Current Assets	$ 537,424	$ 568,979
Notes receiv.	24,257	30,679
#Fixed assets	169,798	185,397
Goodwill	25,010	25,499
Miscellaneous	39,629	62,590
Total Assets	$ 796,118	$ 873,144

Liabilities
(000's)

Notes payable	$ 8,152	$ 6,284
Long-term debt, curr.	9,812	5,747
Accts. payable	153,422	167,497
Accruals	71,745	82,972
Income taxes	—	54,431
Curr. Liabilities	$ 243,131	$ 316,931
Long-term debt	118,274	140,000
Def. inc. taxes	26,696	30,843
Minority interest	17,855	36,955

+ Preferred stock:		
$1.25 cumulative convertible	17	19
$5.00 cumulative convertible	121	121
+ Common stock	20,708	20,995
Add. paid-in capital	131,189	129,552
Retained earnings	235,652	231,187
Cum. trans. adjust.	2,475	(33,459)
Total Liabilities & Shareholders' Equity	$ 796,118	$ 873,144

* At lower of cost (LIFO & FIFO) or market.
# Less accumulated depreciation and amortization.
+ $1 stated value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.94
%Net Income to Sales	1.76	3.05
%Net Income to Equity	5.09	12.59
Sales to Inventories	6.17	6.73
Debt to Equity	0.35	0.44
Working Capital	$294,293,000	$252,048,000
Current Ratio	2.21	1.80
Shareholders' Equity	$390,162,000	$348,415,000

Wickes Companies, Inc.

(formed through the merger of The Wickes Corporation with Gamble-Skogmo)

3340 Ocean Park Boulevard
Santa Monica, California 90105
(213) 452-0161

Officers: Sanford C. Sigoloff, chairman of the board, president & chief exec. officer; Wilhelm A. Mallory, sr. exec. v.p. & chief financial officer; Lawrence P. Friedman, sr. v.p.-human resources; Seymour Strasberg, sr. v.p.-strategic planning; Ronald D. Strongwater, sr. v.p.-real estate; James M. Van Tatenhove, sr. v.p.-administration; James N. Castleberry, v.p.-controls evaluation and compliance; Michael S. Sitrick, sr. v.p.-communications; Michael Jamieson, v.p. & controller; Ervin J. Bolks, v.p. & treasurer; Alvin G. Segel, sr. v.p., general counsel & secretary.

Directors: Sanford C. Sigoloff, chairman; Rita E. Hauser, Ellsworth L. Johnson, Preston Silbaugh, Wilhelm Mallory, Sanford Kaplan, Peter Sweet, Edmund M. Kaufman.

Areas of Work: The Wickes Manufacturing division produces diesel and gasoline pistons, electrical and electronic components, bumpers, aluminum castings, extrusions and tubing, stampings and wire formed assemblies for the automotive industry. It also manufactures electronic connectors, backpanels and printed circuit boards, process control systems and components, municipal traffic control systems and components for the electrical and electronic markets, and proprietary commercial refrigeration and airconditioning systems for the construction market. In addition, Wickes Manufacturing division makes safety hardware and systems for military air crewmen and thermo processes specialty metals for aircraft and missile components. The Wickes Engineering division manufactures aircraft arresting gear, prototype and production parts for aircraft jet engines and replacement turbine blades for electrical generators.

In the retail area, the Company operates Wickes Lumber building supply and lumber stores; Builders Emporium, home improvement centers; Wickes Furniture home furnishings warehouse showrooms; Leath Furniture centers; Howard Brothers discount department stores; Red Owl retail food stores; Snyder's Drug Stores; Mode O'Day women's apparel stores; and Woman's World Shops for large-sized women. Manufacturing operations other than electronic are: Mode O'Day which manufactures women's fashions; Kayser-Roth Corporation which manufactures women's and children's apparel, and women's and men's hosiery; The Simmons Universal Corporation which produces decorative fabrics, curtains, draperies, furniture and home furnishings; Yorktowne which manufactures furniture.

Other business activities include Wickes Credit which purchases and finances accounts receivable generated by the retailing group; Western Diversified Services which offers insurance to individuals and companies, and the distribution of automotive parts through the A.P.S. division.

Electronics Divisions:

Wickes Manufacturing
Wickes Engineering

Transfer Agent(s):

J. Henry Schroder
Bank and Trust Company of New York
One State Street
New York, NY 10015

Stock Exchange(s): American, Pacific

Ticker Symbol: WKS

Number of Employees:

1985	57,350

Plant Footage:*

1985	4,100,000 sq. ft.

* Electronics manufacturing only.

Sales and Earnings

	Net Sales + (000's)	Net Income # (000's)
1986	$ 2,806,229	$ 76,130
1985	1,647,881	296,536
1984	1,495,388	24,794
1983	1,240,435	(248,682)
1982	2,079,496	(258,253)

	No. of Com. Shares	Earn. per Share ‡#
1986	133,854,000	$ 0.47
1985	95,903,000	20.30
1984	14,385,000	1.72
1983	14,385,000	—
1982	14,208,000	—

(Loss)
+ Of continuing operations only.
# Including extraordinary gains of $35,482,000 ($0.36 per share) in 1986, $279,522,000 ($19.13 per share) in 1985 and $11,618,000 ($0.81 per share) in 1984.
‡ Based on the average number of common shares and common shares equivalents outstanding adjusted to reflect stock dividend.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$ —	—	—
1985	—	—	—
1984	—	—	—
1983	—	—	—
1982	0.52	5%	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1986	$ 516,902#	$ 3.86
1985	340,333	3.55
1984	(207,680)	—
1983	(230,206)	—
1982	23,124	1.63

(Deficiency)
After allowing for preferred stock at liquidation value of $40 per share.

Income Account
(000's)

Year ended	1/25/86	1/26/85
Net sales	$ 2,806,229	$ 1,647,881
Cost of sales	2,495,027	1,552,068
Taxes	54,801	29,551
Depreciation & amortization	47,501	24,582
Rents	38,116	26,269
Interest expense	125,057	11,972
Gain on sale of eq. secur.	(3,865)	—
Income before taxes	$ 49,592	$ 3,439
Income taxes	21,516	2,515
Income-cont. oper.	$ 28,076	$ 924
Income-discont. oper.	12,572	16,090
Net Income	$ 40,648	$ 17,014
Extraordinary gain	35,482	279,522
Net Income & Extraordinary Gain	$ 76,130	$ 296,536

Assets
(000's)

As of	1/25/86	1/26/85
Cash & short-term invest.	$ 80,576	$ 107,330
Receiv., net	595,217	296,811
*Inventories	723,292	460,123
Assets of discont. oper.	336,349	43,114
Other curr. assets	57,188	23,523
Current Assets	$ 1,792,622	$ 930,901
Investments in unconsol. subsid.	—	12,836
#Fixed assets	512,784	320,233
Other assets	109,996	39,408
Investments & other receiv.	21,541	9,630
Purch. price in exc. of assets acq.	211,355	—
Total Assets	$ 2,648,298	$ 1,313,008

Liabilities
(000's)

Notes payable	$ 54,549	$ 1,651
Long-term debt	140,902	97,535
Accts. payable	238,295	147,426
Accruals	361,044	152,408
Other liabilities	9,276	6,041
Curr. Liabilities	$ 804,066	$ 405,061
Long-term debt	726,925	459,687
Cap. lease oblig.	60,463	83,245
Deferred inc. taxes	79,917	24,682
+ Preferred stock	1,840	—
+ Common stock	13,385	9,590
Add. paid-in capital	962,851	393,078
Retained earnings (deficit)	1,021	(50,685)
For. curr. trans. adjust.	(2,170)	(11,650)
Total Liabilities & Shareholders' Equity	$ 2,648,298	$ 1,313,008

* At lower of cost (FIFO) or market, not in excess of net realizable value.
# Less accumulated depreciation and amortization.
+ $0.10 par value.

Statistical Summary

%Net Income to Equity	4.16	5.00
Sales to Inventories	3.88	3.58
Debt to Equity	0.94	1.64
Working Capital	$988,556,000	$525,840,000
Current Ratio	2.23	2.30
Shareholders' Equity	$976,927,000	$340,333,000

Williams Electronics, Inc.

3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

767 Fifth Avenue
New York, New York 10153
(212) 751-5300

Officers: Louis J. Nicastro, chairman of the board, president, chief executive & chief operating officer; Norman J. Menell, exec. v.p.; Richard J. Wilkus, v.p.-finance, treasurer, chief financial & accounting officer; Jeffrey N. Siegel, secretary.

Directors: Louis J. Nicastro*, chairman; Norman J. Menell*, William C. Bartholomay, Charles Koppelman, William E. McKenna, Harvey Reich, George Baker.

* Member of the Executive Committee.

Williams Electronics, Inc.

Areas of Work: The Company is engaged in the design, manufacture and sale of coin-operated pay telephones and amusement games. The Company's games include both pinball and video games which use electronic technology. The Company is also involved in the ownership and operation of hotels and casinos, and the production of music-oriented television programs, music publishing, and recorded music.

Subsidiaries:

Williams Telephone Co., Inc.
1910 Swanson Court
Gurnee, Illinois 60031
(312) 662-7001

Posadas de Puerto Rico Associates, Inc.
999 Ashford Avenue
San Juan, Puerto Rico 00902
(809) 721-1000

Williams Hospitality Management Corp.
999 Ashford Avenue
San Juan, Puerto Rico 00902
(809) 721-1000

Williams Entertainment Corporation
767 Fifth Avenue
New York, New York 10153
(212) 751-5300

Williams Hotel Corporation
767 Fifth Avenue
New York, New York 10153
(212) 751-5300

Williams Electronics Games, Inc.
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

Williams Innovative Technologies, Inc.
3401 North California Avenue
Chicago, Illinois 60618
(312) 267-2240

ESJ Hotel Corporation
767 Fifth Avenue
New York, New York 10153
(212) 751-5300

Transfer Agent(s):

J. Henry Schroder Bank & Trust Company
One State Street
New York, New York 10015

Continental Illinois National Bank and Trust
Company of Chicago
30 North LaSalle Street
Chicago, Illinois 60693

Stock Exchange(s): New York

Ticker Symbol: WMS

Sales and Earnings

	Revenues	Net Income †
1985	$ 64,950,000	$ (3,247,000)
1984	57,506,000	(14,473,000)
1983	84,514,000	9,849,000
1982	132,969,000	16,168,000
1981	148,693,000	18,820,000

	No of Com. Shares ‡	Earn. per Share †‡
1985	7,523,750	$ —
1984	7,523,750	—
1983	7,523,750	1.28
1982	7,509,625	2.02
1981	7,500,000	2.51

(Loss)
† Including extraordinary gains of $275,000 ($0.03 per share) in 1982 and $381,000 ($0.05 per share) in 1981.
‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	0.15	—	—
1983	0.50	—	—
1982	0.20	—	—
1981	—	—	3-for-2

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 27,283,000	$ 3.63
1984	30,530,000	4.06
1983	46,132,000	6.13
1982	39,928,000	5.32
1981	25,183,000	3.36

‡ Based on the average number of shares outstanding adjusted to reflect stock split.

Income Account *
(000's)

Year ended Sept. 30	1985	1984
Net sales	$ 24,636	$ 18,129
Other income	9	734
Hotel & casino oper.	40,305	38,643
Total Income	$ 64,950	$ 57,506
Cost of sales	28,823	37,400
Hotel/casino oper. exp.	26,790	26,936
Expenses	16,789	19,702
Royalty adjust.	—	1,604
Minority interest	896	713
Interest income	(2,230)	(1,892)
Interest expense	5,751	6,437
Gains rel. to int. in hotel/casino	—	(9,747)
Write-off of exc. purch.. cost	—	3,000
Loss before taxes	$ (11,869)	$ (26,647)
Tax credit	(8,622)	(12,174)
Net Loss	$ (3,247)	$ (14,473)

* Included in Costs and Expenses, Depreciation and Amortization: $3,251,000 in 1985 and $3,852,000 in 1984.

Assets
(000's)

As of Sept. 30	1985	1984
Cash & cash equiv.	$ 11,991	$ 19,874
Receiv., net	7,885	5,551
*Inventories	9,267	8,086
Recov. inc. taxes	9,016	8,015
Deferred inc. taxes & prepaid expenses	2,485	2,784
Current Assets	$ 40,644	$ 44,310
Investments	3,360	1,778
Other assets	5,417	5,373
#Fixed assets	31,705	31,593
Intangibles	9,580	9,805
Total Assets	$ 90,706	$ 92,859

Liabilities
(000's)

Long-term debt, curr.	$ 1,767	$ 1,498
Accts. payable	4,211	2,939
Accruals	3,547	4,654
Income taxes	1,522	4,374
Other accruals	3,601	3,639
Curr. Liabilities	$ 14,648	$ 17,104
Long-term debt	42,216	39,562
Minority interest	6,559	5,663
+ Common stock	3,762	3,762
Add. paid-in capital	433	433
Retained earnings	23,088	26,335
Total Liabilities & Shareholders' Equity	$ 90,706	$ 92,859

* At lower of cost (FIFO) or market.
# Less accumulated depreciation and amortization.
+ $0.50 par value.

Statistical Summary

Debt to Equity	1.61	1.34
Working Capital	$25,996,000	$27,206,000
Current Ratio	2.77	2.59
Shareholders' Equity	$27,283,000	$30,530,000

Wiltek, Inc.

542 Westport Avenue
Norwalk, Connecticut 06851
(203) 853-7400

Officers: Robert W. Cruickshank, chairman; Jay W. Fitzpatrick, president, chief exec. officer and treasurer; Boris Frenkiel, F. Spencer Pooley, Jr., Jeffrey Stuart, v.p.'s; Alexander R. Hamilton, secretary.

Directors: Martha M. Driver, Richard T. Niner, Ellis L. Phillips, Jr., Jay W. Fitzpatrick, Robert W. Cruickshank.

Areas of Work: Engaged in the design, manufacture, sale and maintenance of data communication systems and services.

Subsidiaries:

Wiltek (U.K.) Ltd.
Wiltek Leasing, Inc. (presently inactive)

Transfer Agent(s):

Manufacturers Hanover Trust Company
New York, New York

Stock Exchange(s): Over-the-Counter

Number of Employees*:

1985	32	1982	21
1984	26	1981	21
1983	N.A.		

Plant Footage:

1985	16,000 sq. ft.	1982	15,000
1984	15,000	1981	15,000
1983	15,000		

* Full-time only.
N.A. - Not Available.

Sales and Earnings

	Revenues	Net Income ‡
1985	$ 2,856,300	$ (132,400)
1984	2,299,200	(750,500)
1983	1,848,500	(393,400)
1982	2,867,300	571,700
1981	2,460,200	803,500

	No. of Com. Shares	Earn. per Share ‡#
1985	4,774,219	$ —
1984	4,774,219	—
1983	4,774,219	—
1982	3,631,493	0.17
1981	3,631,493	0.20

(Loss)
‡ Including extraordinary gains of $306,200 ($0.06 per share) in 1985, $39,200 ($0.01 per share) in 1984, $157,000 ($0.04 per share) in 1983, $321,500 ($0.09 per share) in 1982 and $389,800 ($0.10 per share) in 1981.
# Based on the weighted average number of common shares and common share equivalents outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,820,800	$ 0.59
1984	2,953,200	0.62
1983	3,703,700	0.78
1982	2,934,500	0.81
1981	2,362,900	0.65

Income Account *

Year ended Oct. 31	1985	1984
Revenues	$ 2,856,300	$ 2,299,200
Cost of sales	1,573,300	1,512,900
Expenses	1,544,700	1,728,700
Interest income	(121,600)	(203,100)
Other exp. (income)	(7,700)	11,200
Loss before taxes	$ (132,400)	$ (750,500)
Income taxes	306,200	39,200
Net Loss	$ (438,600)	$ (789,700)
Extraord. gain	306,200	39,200

Net Loss & extraord. gain	$ (132,400)	$ (750,500)

* Included in Costs and Expenses, Depreciation and Amortization: $382,100 in 1985 and $470,200 in 1984.

Assets

As of Oct. 31	1985	1984
Cash & cert. of deposit	$ 1,503,200	$ 1,694,500
Accts. receiv., net	717,200	374,100
Other assets	40,400	33,800
Current Assets	$ 2,260,800	$ 2,102,400
‡Rental Equip.	1,151,500	1,226,900
Total Assets	$ 3,412,300	$ 3,329,300

Liabilities

Accruals	$ 526,800	$ 359,000
Deferred revenue	64,700	17,100
Curr. Liabilities	$ 591,500	$ 376,100
+ Common stock	1,593,900	1,593,900
Add. paid-in capital	5,702,100	5,702,100
Deficit	(4,457,900)	(4,325,500)
Treasury stock	(17,300)	(17,300)
Total Liabilities & Shareholders' Equity	$ 3,412,300	$ 3,329,300

‡ Less accumulated amortization.
+ No par value; $0.33⅓ stated value.

Statistical Summary

Working Capital	$1,669,300	$1,726,300
Current Ratio	3.82	5.59
Shareholders' Equity	$2,820,800	$2,953,200

The Wurlitzer Company

403 East Gurler Road
DeKalb, Illinois 60115
(815) 756-2771

Officers: A. Donald Arsem, chairman of the board; George B. Howell, president & chief executive officer; William J. Young, sr. v.p.-marketing; James M. Graham, v.p.-nat'l. sales mgr., consumer products; Fred P. Youssi, v.p.-manufacturing, Wallace R. Borgeson, sr. v.p.-finance & administration; R.W. Donaldson, v.p., secretary & treasurer; Richard R. White, controller.

Directors: J.M. Hutton III, A.D. Arsem, Marjorie B. Paullin, Wallace R. Borgeson, George B. Howell, William A. Rolfing, Frank J. Merrill, Dale F. Pilz.

Areas of Work: Designs, manufactures and markets pianos and electronic keyboard musical instruments.

Divisions:

Corinth, Mississippi
  Manufactures electronic organs.

Holly Springs, Mississippi
  Manufactures pianos and piano keys and actions.

Foreign Subsidiaries:

Wurlitzer Limited
Knutsford, Cheshire, England

Wurlitzer Canada Limited
Toronto, Ontario, Canada

Transfer Agent(s):

The Chase Manhattan Bank
One New York Plaza, 14th floor
New York, New York 10015

Stock Exchange(s): New York

Ticker Symbol: WUR

Number of Employees:

1986	1,200	1983	N.A.
1985	N.A.	1982	1,800
1984	898		

Plant Footage:

1986	448,000 sq. ft.	1983	30,000
1985	N.A.	1982	130,000
1984	N.A.		

N.A. - Not Available

Sales and Earnings

	Net Sales +	Net Income ‡
1986	$ 40,905,000	$ (9,302,000)
1985	39,267,000	(4,887,000)
1984	52,315,000	1,034,000
1983	47,006,000	(4,296,000)
1982	60,727,000	(5,531,000)

	No. of Com. Shares	Earn. per Share #
1986	1,786,000	$ —
1985	1,786,000	—
1984	1,786,000	0.58
1983	1,786,000	—
1982	1,786,000	—

(Loss)
+ Of continuing operations only.
‡ Including extraordinary credits of $209,000 ($0.12 per share) in 1984 and $196,000 ($0.11 per share) in 1982.
# Based on the average number of shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 5,135,000	$ 2.88
1985	13,564,000	7.59
1984	19,058,000	10.67
1983	18,319,000	10.26
1982	22,384,000	12.53

Income Account *

Year ended March 31	1986	1985
Net sales	$ 40,905,000	$ 39,267,000
Cost of sales	37,938,000	33,222,000
Expenses	8,685,000	9,562,000
Prov. for doubt. accts.	584,000	670,000
Interest expense	2,191,000	2,746,000
Interest income	(1,104,000)	(1,296,000)
Other expense	1,027,000	48,000
Loss before taxes	$ (8,416,000)	$ (5,685,000)
Tax credit	—	(661,000)
Loss - cont. oper.	$ (8,416,000)	$ (5,024,000)
Inc. (loss) - discont. oper.	(886,000)	137,000
Net Loss	$ (9,302,000)	$ (4,887,000)

* Included in Costs and Expenses, Depreciation and Amortization: $770,000 in 1986 and $811,000 in 1985.

Assets

As of March 31	1986	1985
Cash & short-term invest.	$ 467,000	$ 1,013,000
Income tax refunds receivable	13,342,000	14,529,000
*Inventories	12,815,000	13,804,000
Assets of discont. oper.	—	2,544,000
Current Assets	$ 26,624,000	$ 31,890,000
#Fixed assets	3,965,000	8,584,000
Other assets & prepaid exp.	3,905,000	840,000
Assets of discont. oper.	—	688,000
Total Assets	$ 34,494,000	$ 42,002,000

Liabilities

Notes payable	$ 5,702,000	$ 4,670,000
Long-term debt, curr.	12,110,000	236,000
Accts. payable	5,674,000	4,631,000
Accruals	2,816,000	2,305,000
Curr. Liabilities	$ 26,302,000	$ 11,842,000
Long-term debt	2,905,000	16,265,000
Deferred comp.	152,000	331,000
+ Common stock	1,855,000	1,855,000
Add. paid-in capital	16,073,000	16,073,000
Accumulated translation adjustment	(24,000)	(897,000)
Retained earnings (deficit)	(12,700,000)	(3,398,000)
Treasury stock	(69,000)	(69,000)
Total Liabilities & Shareholders' Equity	$ 34,494,000	$ 42,002,000

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ No par value.

Statistical Summary

Sales to Inventories	3.19	2.84
Debt to Equity	4.03	1.56
Working Capital	$322,000	$20,048,000
Current Ratio	1.01	2.69
Shareholders' Equity	$5,135,000	$13,564,000

Wyle Laboratories

128 Maryland Street
El Segundo, California 90245
(213) 678-4251

Officers: Stanley A. Wainer, chairman, & chief executive officer; Charles M. Clough, president & chief operating officer; Theodore M. Freedman, exec. v.p.-finance, treasurer & chief financial officer; Ralph L. Ozorkiewicz, v.p. & president-Electronics Marketing Group; John R. Herring, exec. v.p. and president-Scientific Services & Systems Group and Industrial Manufacturing Group; Joseph E. Sullivan, v.p., secretary, and chief accounting officer; R. Van Ness Holland, Jr., corp. controller.

Directors: Frank S. Wyle*, Lawrence E. Irell, Stanley A. Wainer*, John R. Herring*, Elvin W. Feige, Raymond J. Raff, James J. McMorrow*, Edward Sanders, F. Stephen Wyle, Theodore M. Freedman*, Charles M. Clough*.

* Member of the Executive Committee.

Areas of Work: Industrial distribution of electronic components and systems including sales, service, and finance functions; research, engineering, and testing services to the energy, aerospace/defense, acoustics, and transportation industries; manufactures electronic enclosures and electrical cables.

Divisions and Subsidiaries:

Scientific Services & Systems Group

Huntsville Facility
7800 Governors Drive, West
P.O. Box 1008
Huntsville, Alabama 35807
(205) 837-4411

Refurbishment, functional testing, and certification of safety valves, snubbers, etc., for nuclear power plants; seismic shock testing of very large nuclear power plant equipment, functional testing of radioactive components; boating safety, simulator design; rocket and spacecraft testing.

Hampton Facility
3200 Magruder Boulevard
Hampton, Virginia 23666
(804) 838-5000

Design, assembly, programming, and operation of computer-based data systems; instrument calibration and maintenance.

Norco Facility
1841 Hillside Avenue
Norco, California 91760
(714) 737-0781

Full scale testing of large nuclear power plant safety systems, valves, flowmeters, etc.; high-force seismic testing and analysis; hazardous testing, encompassing cryogenics, fuels, solid rockets, and ordnance.

Foundation Mechanics, Inc.
128 Maryland Street
El Segundo, California 90245
(213) 678-4251

Production of equipment for highway and airfield pavement and subgrade analysis.

El Segundo Facility
128 Maryland Street
El Segundo, California 90245
(213) 678-4251
Aerospace testing, with emphasis on high flow and/or high pressure pneumatics and on shock and vibration.

Applied Research, Inc.
Houstan, Texas
Los Angeles & Santa Clara, California

Provide engineering and management services to the aerospace/defense market.

Research Staffs:
El Segundo, California
Hampton, Virginia
Huntsville, Alabama
Washington, D.C.
Consulting services and contract research in the physical sciences, specializing in acoustics; aerospace and seismic studies.

Electronics Marketing Group

Headquarters:
Irvine, California

Divisions:
Dallas & Houston, Texas
Denver, Colorado
Portland, Oregon
Salt Lake City, Utah
Seattle, Washington
Phoenix, Arizona
El Segundo, Irvine, San Diego, Sacramento, Santa Clara, Garden Grove, San Fernando Valley, Huntington Beach, California

Industrial Manufacturing Group

Central Petroleum Company
548 Northern Ohio Bank Building
Cleveland, Ohio 44113
(216) 771-0400
Lubricants, fuel additives, insecticides, paints, roofing materials, anti-freezes, etc.

Burton Electrical Engineering
111 Maryland Street
El Segundo, California 90245
(213) 322-0615
Design and manufacture of electrical ground support systems for aircraft, electrical cable systems for the oil well industry, and other kinds of electrical connecting systems.

Electronic Enclosures:

25 South Aviation Boulevard El Segundo, California 90245 (213) 679-0181

6995 Airport Highway
Pennsauken, New Jersey 08109
(609) 665-6810
Supplies sophisticated TEMPEST RFI shielded cabinets which are used to secure military communications.

Wyle Distribution Group

Wyle Distribution/El Segundo
124 Maryland Street
El Segundo, California 90245
(213) 322-8100
Industrial distribution of electronic components.

Wyle Distribution/Santa Clara
3000 Bowers Avenue
Santa Clara, California 95051
(408) 727-2500
Industrial distribution of electronic components.

Wyle Distribution/Denver
Denver, Colorado
6777 East 50th Street
Commerce City, Colorado 80022
(303) 287-9611
Industrial distribution of electronic components.

Wyle Distribution/San Diego
[illegible]5 Chesapeake Drive
San Diego, California 92123
(714) 565-9171
Industrial distribution of electronic components.

Wyle Distribution/Phoenix
8155 North 24th Avenue
Phoenix, Arizona 85201
(602) 249-2232
Industrial distribution of electronic components.

Wyle Distribution/Orange County
17981 Skypark Circle
Irvine, California 92714
(714) 751-9850

Wyle Data Services, Inc.
15302 Bolsa Chica
Huntington Beach, California 92642
(213) 598-9555
Development and support of on-line computer services and software.

Transfer Agent(s):

Security Pacific National Bank
Corporate Services Division
P.O. Box 3546, Terminal Annex
Los Angeles, California 90051

Stock Exchange(s): New York

Ticker Symbol: WYL

Sales and Earnings

	Net Sales †	Net Income
1986	$ 260,816,000	$ (3,196,000)
1985	343,390,000	9,395,000
1984	282,375,000	7,134,000
1983	195,965,000	(3,179,000)
1982	209,963,000	(2,147,000)

	No. of Com. Shares #	Earn. per Share #
1986	7,708,000	$ —
1985	7,594,000	1.24
1984	6,792,000	1.05
1983	5,584,000	—
1982	5,558,000	—

(Loss)
† Of continuing operations only.
# Based on the average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1986	1985
Electronics mktng.	$ 195,384	$ 274,685
Scientific serv. & syst.	65,432	68,705
Total	$ 260,816	$ 343,390

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1986	$0.32	—	—
1985	0.32	—	—
1984	0.10	—	—
1983	—	—	—
1982	0.40	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1986	$ 78,373,000	$ 10.22
1985	81,800,000	10.95
1984	73,678,000	9.96
1983	39,077,000	6.99
1982	42,086,000	7.57

Income Account *

Year ended Jan. 31	1986	1985
Net sales	$ 260,816,000	$ 343,390,000
Cost of sales	198,801,000	258,677,000
Expenses	58,105,000	64,100,000
Interest expense	1,971,000	3,497,000
Other income	(299,000)	(380,000)
Income before taxes	$ 2,238,0000	$ 17,496,000
Income taxes	724,000	8,230,000
Inc. cont. oper.	$ 1,514,000	$ 9,266,000
Inc. (loss) discont. oper.	(4,710,000)	129,000
Net Income	$ 3,196,000	$ 9,395,000

* Included in Costs and Expenses. Depreciation and Amortization: $3,797,000 in 1986 and $3,596,000 in 1985.

Assets

As of Jan. 31	1986	1985
Cash and equiv.	$ 12,389,000	$ 2,236,000
Accts. receiv., net	41,801,000	53,341,000
*Inventories	52,152,000	57,080,000
Other current assets	2,808,000	854,000
Current Assets	$ 109,150,000	$ 113,511,000
#Fixed assets	24,031,000	24,815,000
Other assets	4,659,000	1,887,000
Total Assets	$ 137,840,000	$ 140,213,000

Liabilities

Notes payable	$ —	$ 2,000,000
Long-term debt, curr.	1,820,000	935,000
Accts. payable	15,551,000	13,064,000
Accruals	16,347,000	12,034,000
Curr. Liabilities	$ 33,718,000	$ 28,033,000
Long-term debt	16,598,000	20,527,000
Convertible sub. debentures	4,874,000	5,763,000
Deferred inc. taxes	4,277,000	4,090,000
+ Common stock	2,528,000	2,466,000
Add. paid-in capital	43,705,000	41,522,000
Retained earnings	32,140,000	37,812,000
Total Liabilities & Shareholders' Equity	$ 137,840,000	$ 140,213,000

* At lower of cost (FIFO or average method) or market.
# Less accumulated depreciation and amortization.
+ No par value.

Statistical Summary

%Net Income to Equity	—	11.49
Sales to Inventories	5.00	6.02
Debt to Equity	0.30	0.29
Working Capital	$156,432,000	$85,478,000
Current Ratio	5.64	4.05
Shareholders' Equity	$ 78,373,000	$81,800,000

Xerox Corporation

P.O. Box 1600
Stamford, Connecticut 06904
(203) 329-8700

Officers: C. Peter McColough, chairman of the exec. committee; David T. Kearns, chairman of the board & chief exec. officer; William F. Glavin, vice chairman; Melvin Howard, exec. v.p.; Marion H. Antonini, Dwight F. Ryan, George E. Pake, Robert Adams, Wayland R. Hicks, Frank J. Pipp, Robert F. Reiser, group v.p's; Robert D. Firth, Paul Allaire, sr. v.p.'s; Ronald B. Campbell, Jr., Charles F. Christ, Robert J. Kammerer, Douglas M. Reid, Frederick B. Henderson, Elliott Horton, Norbett H. Kaupp, Ronald L. Mercer, James E. Shapiro, Renn Zaphiropoulos, Roger E. Levien, David R. Myerscough, Arnold Miller, L. Lyndon Haddon, John J. McGinty, Charles E. Otto, M. Norton Rosner, Eliott D. James, Michael Smith, Joseph C. Sanchez, William T. Blair, v.p.'s; Robert S. Banks, v.p. & general counsel; Eunice M. Filter, v.p. & secretary; Stuart B. Ross, v.p. & controller; Alan Z. Senter, v.p. & treasurer; Donald R. Altieri, asst. controller.

Directors: C. Peter McColough*, Kenneth R. Andrews, Robert A. Beck, Joan Ganz Cooney, William F. Glavin*, Alfred Herrhausen, Melvin Howard*, Vernon E. Jordan, Jr., David T. Kearns*, B.P. Russell, William E. Simon, Robert L. Sproull, Robert S. Strauss, Thomas C. Theobald, Ernst H. van der Beugel.

* Member of the Executive Committee.

Areas of Work: The company is principally in the business equipment and financial services businesses. Within the business equipment segment, the repographics business consists of the development, manufacture, marketing and maintenance of xerographic copiers and duplicators. It also includes the manufacture and/or marketing of related paper and other supplies. Within the business equipment segment, the information systems business consists of the development, manufacture, marketing and maintenance of electronic, impact and electrostatic printers, information processing products, personal computers, office systems products, electronic typewriters, facsimile tranceivers, and the manufacture and/or marketing of related paper and supplies. The principal market for business equipment products is business and government offices. The primary method of marketing such products is through the Company's sales force. Another, smaller segment includes computer-related products and services.

Divisions and Subsidiaries:

AutEx Systems
55 Williams Street
Wellesley, Massachusetts 02135
(617) 235-1940

Century Data Systems
1270 N. Kraemer Blvd.
Anaheim, California 92806
(714) 632-7500

Cheshire, Inc.
408 Washington Blvd.
Mundelein, Illinois 60060
(312) 949-2000

Diablo Systems, Inc.
24500 Industrial Blvd.
Hayward, California 94545
(415) 786-5000

Ginn and Company
191 Spring Street
Lexington, Massachusetts 02173
(617) 861-1670

Kurzweil Computer Products, Inc.
33 Cambridge Parkway
Cambridge, Massachusetts 02142
(617) 864-4700

Systemix
2737 Campus Drive
Irvine, California 92715
(714) 851-1010

University Microfilms International
300 N. Zeeb Road
Ann Arbor, Michigan 48106
(313) 761-4700

Versatec, Inc.
2805 Bowers Avenue
Santa Clara, California 95051
(408) 988-2800

Xerox Business Systems Group
Xerox Corporation
Xerox Square
Rochester, New York
(716) 423-9200

Xerox Canada, Inc.
703 Don Mills Road
Don Mills, Ontario M3C 15D
Canada
(416) 429-6750

Xerox Computer Services
5310 Beethoven Street
Los Angeles, California 90066
(213) 390-3461

Xerox Special Information Systems
300 N. Halstead Street
Pasadena, California 91107
(213) 351-2351

Fuji Xerox Co., Ltd.
3-5 Akasaka 3-chome
Minato-ku, Tokyo 107
Japan

Xerox Group Affiliate Operations
3 Pickwick Plaza
Greenwich, Connecticut 06830
(213) 622-4700

Xerox Limited, Hong Kong
P.O. Box 489
12C Watson's Estate
North Point, Hong Kong
China

Xerox Learning Systems
One Pickwick Plaza
Greenwich, Connecticut 06830
(203) 622-5300

Xerox Magnetics
150 Charcot Avenue
San Jose, California 95131
(408) 262-4136

Xerox Medical Systems
125 N. Vinedo Avenue
Pasadena, California 91107
(213) 251-2351

Xerox Memory Division
3333 Bowers Avenue, Suite 250
Santa Clara, California 95051
(408) 727-7710

Xerox Information Products Division
Xerox Corporation
1341 W. Mockingbird Lane
Dallas, Texas 75247
(214) 689-6000

Xerox Printing Systems Division
Xerox Corporation
Continental Park
880 Apollo Street
El Segundo, California 90245
(213) 536-7000

Xerox Systems Group
101 Continental Ave.
El Segundo, California 90245
(213) 536-7000

Xerox Electronics Division
701 S. Aviation Blvd.
El Segundo, California 90245
(213) 536-7000

Xerox Office Systems Division
2100 Geng Road
Palo Alto, California 94303
(415) 496-6000

Xerox Information Systems Division
2100 Geng Road
Palo Alto, California 94303
(415) 496-6000

Xerox Reprographics Business Group
Xerox Square
100 Clinton Avenue
Rochester, New York 14644
(715) 427-5400

Xerox Diversified Business Group
800 Long Ridge Road
Stamford, Connecticut 06904
(203) 329-8700

Xerox General Services Division
Xerox Square
100 Clinton Avenue
Rochester, New York 14644
(716) 427-5400

Xerox Real Estate Division
800 Long Ridge Road
Stamford, Connecticut 06904
(203) 329-8700

Xerox Information Resources Group
1 Pickwick Plaza
30 Mason Street
Greenwich, Connecticut 06830
(203) 625-5600

Rank Xerox Limited
Rank Xerox House

338 Euston Road
London NW1 3BH
England

Xerox Special Businesses Division
Xerox Corporation
Xerox Square
Rochester, New York 14644

Xerox Argentina, I.C.S.A.
Xerox do Brasil, S.A.
Xerox de Chile, S.A. Reproducciones
Xerox del Ecuador, S.A.
Industrias Xerographicas, S.A. de C.V.
Xerox del Peru, S.A.
Xerox de Venezuela, C.A.
Xerox de Colombia, S.A.
Xerox Research (UK) Limited
Rank Xerox Holding B.V. (50% owned)
Rank Xerox Manufacturing (Nederland) B.V.
Societe Industrielle Rank Xerox S.A.
Bessemer Trust Limited
Lyell Holdings Ltd.
Fuji Xerox Co., Ltd.
Rank Xerox (U.K.) Limited
Rank Xerox (Ireland) Limited
Rank Xerox de Espana Limited
Rank Xerox Espanola S.A.
Rank Xerox (N.Z.) Ltd.
Rank Xerox S.A.
Rank Xerox Exports Ltd.
Rank Xerox Business Equipment Inc.
Rank Xerox Investments Ltd.
Xerox International Sales Corp.
Rank Xerox (Management) Limited (50% owned)
N.V. Rank Xerox S.A.
Rank Xerox (Australia) Pty. Ltd.
Rank Xerox Austria G.m.b.H.
Rank Xerox A/S
Rank Xerox Oy
Rank Xerox G.m.b.H.
Rank Xerox Greece S.A.
Rank Xerox S.p.A.
Rank Xerox (Nederland) B.V.
Rank Xerox A/S
Rank Xerox A.B.
Rank Xerox A.G.

Xerox Financial Services, Inc.

Crum & Foster
Morristown, New Jersey

Xerox Credit Corporation
Greenwich, Connecticut

Van Kampen Merritt, Inc.

Transfer Agent(s):
Xerox Corporation
P.O. Box 2007
Rochester, New York 14603

Stock Exchange(s): New York, Midwest, Pacific, Philadelphia, Boston, Cincinnati, London, Paris, Amsterdam, Dusseldorf, Frankfurt, Basel, Berne, Geneva, Lausanne, Zurich.

Ticker Symbol: XRX

Number of Employees:

1985	102,396	1983	104,007
1984	103,457	1982	109,940

Sales and Earnings

	Oper. Rev. † (000's)	Net Income (000's)
1985	$ 8,954,000	$ 475,000
1984	8,646,000	291,000
1983	8,285,000	466,000
1982	8,156,000	424,000
1981	8,180,000	598,000

	No. of Com. Shares #	Earn. per Share #
1985	96,159,000	$ 4.44
1984	95,691,000	2.53
1983	94,897,000	4.42
1982	84,697,031	5.00
1981	84,503,146	7.08

† Of continuing operations only.
# Based on the average number of common shares and Class B shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$3.00	—	—
1984	3.00	—	—
1983	3.00	—	—
1982	3.00	—	—
1981	3.00	—	—

Common Stock Equity

	Total Equity (000's)	Equity Per Share
1985	$ 4,386,000	$ 45.54
1984	4,101,000	42.87
1983	4,222,000	44.51
1982	3,724,000	44.12
1981	3,728,000	44.27

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net sales	$ 4,372,300	$ 3,935,900
Rentals	2,595,100	2,986,800
Service	1,764,700	1,504,600
Eq. in inc. of unconsol. cos.	116,500	102,600
Other income	105,900	116,000
Total oper. revenues	$ 8,954,500	$ 8,645,900
Cost of sales	2,126,400	2,003,200
Cost of rentals	1,458,700	1,547,900
Cost of service	871,500	707,700
Expenses	3,622,600	3,547,900
Interest expense	230,000	260,500
Other charges	36,700	12,500
Income before taxes	$ 608,600	$ 566,200
Income taxes	164,900	144,000
Outside shareholders' interests	63,200	70,400
Inc. - cont. oper.	$ 380,500	$ 351,800
Inc.(loss)-discont.oper.	94,800	(61,300)
Net Income	$ 475,300	$ 290,500

*Included in Costs and Expenses, Depreciation: $848,900,000 in 1985 and $865,900,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & time deposits	$ 221,500	$ 168,000
Marketable securities	45,100	58,900
Accts. receiv., net	1,257,400	1,337,700
Accrued revenues	616,700	614,500
*Inventories	1,469,800	1,300,000
Prepaid expenses & other assets	290,000	260,100
Current Assets	$ 3,900,500	$ 3,739,200
Investments	2,599,500	2,428,000
Rental equip.	1,237,100	1,519,500
Trade receiv.	209,500	267,400
#Fixed assets	1,422,600	1,391,800
Deferred inc. taxes	176,400	—
Other assets	271,100	191,200
Total Assets	$ 9,816,700	$ 9,537,100

Liabilities
(000's)

	1985	1984
Notes payable & long-term debt, curr.	$ 402,900	$ 654,700
Accts. payable	390,300	310,500
Accrued payroll	911,900	916,900
Other liab.	175,300	221,200
Income taxes	129,500	136,100
Unearned income	205,400	211,700
Curr. Liabilities	$ 2,215,300	$ 2,415,100
Long-term debt	1,582,600	1,614,300
Shareholders interests in eq. of subsid.	505,100	440,900
Deferred income taxes & credits	74,000	149,000
Noncurrent liabilities	611,500	338,800
+ Redeem. pref. stock	442,000	442,000
+ + Common stock	96,400	95,700
+ + Class B stock	100	200
Add. paid-in capital	796,200	775,100
Retained earnings	3,897,900	3,759,400
Apprec. of eq. invest.	78,300	17,300
Class B stock receiv. & deferrals	(6,300)	(9,900)
Cum. trans. adjust.	(476,400)	(536,800)
Total Liabilities & Shareholders' Equity	$ 9,816,700	$ 9,537,100

* At lower of average cost or market.
# Less accumulated depreciation.
+ $1 par value; $5.45 cumulative.
+ + $1 par value.

Statistical Summary

	1985	1984
%Net Income to Equity	10.84	7.08
Debt to Equity	0.45	0.55
Working Capital	$1,685,200,000	$1,288,100,000
Current Ratio	1.76	1.53
Shareholders' Equity	$4,386,200,000	$4,101,000,000

Xexex Industries, Inc.

3 Duke Place
Norwalk, Connecticut 06854
(203) 853-8001

Mailing address:

P.O. Box 5319
Rowayton, Connecticut 06853

Officers: George Battocchio, chairman & president; Burton Marks, secretary; G. David Battocchio, controller.

Directors: George Battocchio, chairman; Ira Nevin, Robert E. Weiss, Burton Marks, Samuel Distasi, George D. Battocchio, Peter Aliapoulios, Charles Muscat.

Areas of Work: Engaged in the production of circuit boards.

Transfer Agent(s):

American Stock Transfer Company
New York, New York

Stock Exchange(s): Over-the-Counter

Sales and Earnings

	Net Sales	Net Income
1985	$ 3,810,397	$ 79,999
1984	4,321,835	181,415
1983	3,556,703	37,165
1982	2,692,167	(42,968)
1981	2,952,285	59,273

	No. of Com. Shares ‡	Earn.per Share ‡
1985	341,067	$ 0.23
1984	345,333	0.53
1983	348,033	0.11
1982	353,033	—
1981	353,933	0.17

(Loss)
‡ Based on the weighted average number of shares outstanding.

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$0.05	—	—
1984	0.13	—	—
1983	—	—	—
1982	—	—	—
1981	0.11	—	—

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 1,301,063	$ 3.81
1984	1,280,453	3.71
1983	1,098,388	3.16
1982	1,054,725	2.99
1981	1,138,552	3.22

‡ Based on the weighted average number of shares outstanding.

Income Account *

Year ended Dec. 31	1985	1984
Net sales	$ 3,810,397	$ 4,321,835
Cost of sales	2,953,000	3,307,534
Expenses	732,960	722,322
Other charges	16,836	8,729
Income before taxes	$ 107,601	$ 283,250
Income taxes	27,602	101,835
Net Income	$ 79,999	$ 181,415

* Included in Costs and Expenses, Depreciation and Amortization: $207,787 in 1985 and $212,604 in 1984.

Assets

As of Dec. 31	1985	1984
Cash	$ 448,110	$ 444,682
Receiv., net	378,956	422,366
*Inventories	206,165	317,985
Prepaid expenses	20,024	12,130
Current Assets	$ 1,053,255	$ 1,197,163
#Fixed assets	1,052,951	791,635
Defer. charges & other assets	92,839	41,364
Total Assets	$ 2,199,045	$ 2,030,162

Liabilities

	1985	1984
Notes payable	$ 108,632	$ 80,000
Accts. payable	202,203	299,992
Accruals	17,433	61,799
Income taxes	(54,561)	49,543
Other taxes	3,604	(91)
Curr. Liabilities	$ 277,311	$ 491,243
Notes payable	599,289	220,000
Deferred inc. taxes	21,382	38,466
+ Common stock	4,065	4,065
Add. paid-in capital	337,098	337,098
Retained earnings	1,142,663	1,106,959
Treasury stock	(182,763)	(167,669)
Total Liabilities & Shareholders' Equity	$ 2,199,045	$ 2,030,162

* At lower of cost (FIFO) or market.
# Less accumulated depreciation.
+ $0.01 par value.

Statistical Summary

	1985	1984
%Income bef. Taxes to Sales	2.82	6.55
%Net Income to Sales	2.10	4.20
%Net Income to Equity	6.15	14.17
Sales to Inventories	18.48	13.59
Debt to Equity	0.54	0.23
Working Capital	$ 775,944	$ 705,920
Current Ratio	3.80	2.44
Shareholders' Equity	$1,301,063	$1,280,453

Youngwood Electronic Metals, Inc.

R.D. 8 Omeid Park
Greensburg, Pennsylvania 15601
(412) 834-3700

Officers: Robert A. Domin, president & treasurer; Thomas A. Hill, v.p.-finance & secretary; Paul J. Koontz, controller; Joseph C. Maloney, v.p.-operations.

Directors: Robert A. Domin, Thomas A. Hill, Richard J. Nesbit, Sam Chetlin.

Areas of Work: Engaged in the business of stamping molybdenum parts for the semiconductor industry; manufacturing various shortrun stampings used in industrial and consumer products; precision cutting intricate metal designs on computer-controlled wire cut electrical discharge machines; precious and semi-precious metals electroplating of molybdenum stampings, and machining and grinding of carbide tools.

Transfer Agent(s):

Mellon Bank, N.A.
Mellon Square
Pittsburgh, Pennsylvania

Stock Exchange(s): Over-the-Counter

Ticker Symbol: YEMI (NASDAQ)

Number of Employees:

1985	104	1983	91
1984	133		

Plant Footage:

1985	63,419 sq. ft.	1983	45,692
1984	63,419		

Sales and Earnings

	Net Sales	Net Income ‡
1985	$ 6,738,427	$ (521,148)
1984	8,251,516	(487,039)
1983	9,169,706	931,869
1982	15,036,558	(685,397)
1981	15,744,165	(1,001,512)

	No. of Com. Shares	Earn. per Share #‡
1985	1,206,229	$ —
1984	1,181,229	—
1983	1,161,229	0.81
1982	1,146,229	—
1981	1,111,229	—

(Loss)

‡ Including extraordinary gain of $293,000 ($0.25 per share) in 1983.

Based on the weighted average number of common shares outstanding.

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 2,038,636	$ 1.69
1984	2,544,784	2.15
1983	3,005,572	2.59
1982	2,058,391	1.80
1981	2,725,890	2.45

Income Account *

Year ended Aug. 31	1985	1984
Net sales	$ 6,738,427	$ 8,251,516
Cost of sales	6,032,064	7,470,351
Expenses	1,155,344	1,156,871
Prov. for doubtful accts.	22,358	101,964
Interest expense	142,545	169,473
Eq. in loss of invest.	166,299	163,617
Other income	(196,335)	(121,721)
Provision for loss	250,000	—
Loss before taxes	$ (833,848)	$ (689,039)
Tax credit	(312,700)	(202,000)
Net Loss	$ (521,148)	$ (487,039)

* Included in Costs and Expenses, Depreciation: $261,990 in 1985 and $260,142 in 1984.

Assets

As of Aug. 31	1985	1984
Cash	$ 81,740	$ 3[illegible]94
Receiv., net	778,400	1,255,809
Royalty receiv.	—	923,543
Recov. inc. taxes	—	20,000
Notes receivable	4,464	—
*Inventories	846,589	514,159
Prepaid expenses	8,722	6,239
Current Assets	$ 1,719,915	$ 2,750,944
Investments & other assets	195,107	244,335
#Fixed assets	2,605,290	2,776,870
Total Assets	$ 4,520,312	$ 5,772,149

Liabilities

Long-term debt, curr.	$ 426,550	$ 140,487
Accts. payable	321,165	986,760
Accrued payroll & employee benefits	206,095	265,306
Income taxes	—	312,700
Note payable	90,000	40,000
Reserve for loss	250,000	—
Curr. Liabilities	$ 1,293,810	$ 1,745,253
Long-term debt	1,069,515	1,360,332
Unfunded pension liab.	118,351	121,780
+ Common stock	913,437	894,687
Add. paid-in capital	966,661	970,411
Retained earnings	170,822	691,970
Treasury stock	(12,284)	(12,284)
Total Liabilities & Shareholders' Equity	$ 4,520,312	$ 5,772,149

* At cost (LIFO) not in excess of market.

Less accumulated depreciation.

+ $0.75 par value.

Statistical Summary

Sales to Inventories	7.96	16.05
Debt to Equity	0.73	0.59
Working Capital	$ 426,105	$1,005,691
Current Ratio	1.33	1.58
Shareholders' Equity	$2,038,636	$2,544,784

Zenith Electronics Corporation

1000 Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-7000

Officers: Jerry K. Pearlman, chairman and president; Karl H. Horn, exec. v.p. & president-systems & components group; Robert B. Hansen exec. v.p. & group exec.; Carl A. Michelotti, senior vice president-computer group; Joseph P. Fiore, sr. v.p.; Otto M. Genutis, sr. v.p.-components group; James L. Faust, president-cable products; Howard H. Graham, v.p.-finance services; Gerald M. McCarthy, sr. v.p.-marketing & sales, consumer products; David W. Denton, v.p.-human resources and public affairs; Leonard Dietch, v.p.-research and development, systems and components group; Melvin L. Moore, sr. v.p.-CRT group; James A. Stark, v.p.-purchasing, consumer products; William A. Krein, v.p. & controller; David S. Levin, treasurer; Dennis J. Waldeck, secretary; John Borst, Jr., v.p. & general counsel; Bruce A. Huber, exec. dir.-marketing, consumer products; Peter C. Skerlos, v.p.-engineering, consumer products; M. Vincent Kamler, v.p.-manufacturing, consumer products; Michael S. Tamkin, gen. mgr.-video display operations; Robert P. Dilworth, president-Zenith Data Systems.

Directors: Thomas G. Ayers*, Harry G. Beckner, Sidney Davidson*, Karl H. Horn, John H. Johnson, Eugene M. Kinney, Frederick G. Jaicks*, Arthur W. Schultz*, Jerry K. Pearlman*, Jonn W. Madigan, Robert B. Hansen, G. Ralph Guthrie, Joseph S. Wright.

* Member of the Executive Committee

Areas of Work: Zenith is engaged predominantly in the design, development, manufacture and sale of consumer electronics and related products. These products include: color and black and white television, video cassette recorders, parts and accessories, cable television products, microcomputers and related peripheral equipment and software, power supplies, display devices and subsystems and color television picture tubes. Other products include high-technology components which are sold to original equipment manufacturers. The Heath Company, a wholly-owned subsidiary, produces and markets consumer electronics products in kit and assembled form through mail order distribution and 70 retail store operations in the United States and Canada.

Divisions and Subsidiaries:

Zenith Electronics Corporation
1900 North Austin Avenue
Chicago, Illinois 60639
(312) 745-2000

Zenith Microcircuits Corporation
1851 Arthur Street
Elk Grove, Illinois 60007
(312) 956-1550

Rauland Division
2407 W. North Ave.
Melrose Park, Illinois 60160
(312) 379-4600

Zenith Electronics Corporation
1500 No. Kostner Avenue
Chicago, Illinois 60651
(312) 745-2000

Zenith Electronics Corporation
11000 Seymour
Franklin Park, Illinois 60131
(312) 671-7550

Springfield Division
2500 E. Kearney Street
Springfield, Missouri 65801
(417) 865-8341

Zenith Electronics Corp. of Indiana
1515 No. Fulton Avenue
Evansville, Indiana 47701
(812) 423-7761

Zenith Electronics Corp. of Texas
6601 South 33rd Street
McAllen, Texas 78503
(512) 687-9161

Electro Partes de Matamoros, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Partes de Television de Reynosa S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith Taiwan Corporation
Zenith Electronics (Pacific) Ltd
No. 16 Chih Chiang First Road
Chung Li-Industrial District
Chung-Li Shin
Toa-Yuan Hsien, Taiwan, R.O.C.

Zenith Radio Corp. of Canada, Ltd
1020 Islington Avenue
Toronto, Ontario M8Z 5X5, Canada
(416) 231-4171

Zenith Distributing Corp. of Northern California
800 Mariposa Street
San Francisco, California 94107
(415) 621-8545

Zenith Distributing Corporation of Southern California
11945 East Pike Street
Santa Fe Springs, California 90670
(213) 699-7461

Zenith Distribution Corp. of New York
200 Meadowlands Parkway
Secaucus, New Jersey 07094
(201) 330-9000

Zenith Distributing Corp.-Midstates
12600 West 93rd Street
Lenexa, Kansas 66215
(913) 888-4800

Zenith Distributing Corp. of Illinois
505 No. Northwest Avenue
Northlake, Illinois 60164
(312) 562-7300

Zenith Data System Corporation
1000 North Milwaukee Avenue
Glenview, Illinois 60025
(312) 391-8860

Zenith Electronics Corporation

Zenith Electronics (Ireland) Ltd.
Virginia Road, Kells
County Meath, Ireland

Zenith Electronics Corp. of Arizona
217 3rd Street
Douglas, Arizona 85607

Telson De Mexico, S.A. de C.V.
217 3rd Street
Douglas, Arizona 85607

Zenith Video Tech Corporation
11000 Seymour Avenue
Franklin Park, Illinois 60131

Zenith Video Products Corporation
1000 Milwaukee Avenue
Glenview, Illinois 60025

Cableproductos De Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Productos Magneticos de Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenco de Chihuahua, S.A. de C.V.
P.O. Box 848
Brownsville, Texas 78520

Zenith/Inteq, Inc.
13860 Redskin Drive
Herndon, Virginia 22071

Veritechnology Electronics Corporation
Hilltop Road
St. Joseph, Michigan 49058

Heath Company
Hilltop Road
St. Joseph, Michigan 49058
(616) 982-3200

Transfer Agent(s):

The First Natonal Bank of Boston
Boston, Massachusetts

Stock Exchange(s): New York, Midwest, Zurich, Basel, Geneva

Ticker Symbol: ZE

Number of Employees:

1985	33,000	1982	24,000
1984	29,000	1981	28,000
1983	30,000		

Plant Footage:

1985	10,100,000 sq.ft.	1982	9,100,000
1984	9,500,000	1981	9,900,000
1983	9,100,000		

Sales and Earnings

	Net Sales + (000's)	Net Income† (000's)
1985	$ 1,623,700	$ (7,700)
1984	1,716,000	63,600
1983	1,361,000	46,300
1982	1,239,200	(24,300)
1981	1,275,200	15,700

	No. of Com. Shares	Earn. per Share †
1985	23,130,291	$ —
1984	22,144,058	2.88
1983	21,961,067	2.26
1982	18,930,122	—
1981	18,910,793	0.83

(Loss)
+ Of continuing operations only.
† Based on the weighted average number of common shares and common share equivalents outstanding.

Revenues By Line of Business
(000's)

	1985	1984
Consumer electronics	$ 1,062,000	$ 1,062,000
Computer products	352,000	249,000
Systems & components	144,000	223,000
Cable products	66,000	182,000
Total	$ 1,624,000	$ 1,716,000

Common Stock

	Cash Dividend	Stock Dividend	Stock Split
1985	$ —	—	—
1984	—	—	—
1983	—	—	—
1982	0.15	—	—
1981	0.525	—	—

Common Stock Equity

	Total Equity	Equity Per Share
1985	$ 437,200,000	$ 18.90
1984	442,800,000	20.00
1983	375,200,000	17.08
1982	267,500,000	14.14
1981	294,500,000	15.57

Income Account *
(000's)

Year ended Dec. 31	1985	1984
Net Sales	$ 1,623,700	$ 1,716,000
Cost of sales	1,363,300	1,357,000
Expenses	283,400	257,700
Gain on sale of prop.	(5,400)	(1,000)
Gain on term. of pension plan	(7,300)	—
Interest expense	23,400	17,100
Other income	(12,800)	(6,500)
Income (loss) bef. taxes	$ (20,900)	$ 91,700
Income taxes (credit)	(13,200)	28,100
Net Income (Loss)	$ (7,700)	$ 63,600

* Included in Costs and Expenses, Depreciation: $36,700,000 in 1985 and $31,800,000 in 1984.

Assets
(000's)

As of Dec. 31	1985	1984
Cash & mkt. secur.	$ 7,100	$ 12,300
Receiv., net	283,200	264,400
*Inventories	332,100	347,300
Prepaid expenses	64,900	62,400
Current Assets	$ 687,300	$ 686,400
#Fixed assets	238,200	220,200
Other assets	1,800	2,300
Total Assets	$ 927,300	$ 908,900

Liabilities
(000's)

	1985	1984
Short-term debt	$ 19,000	$ 5,300
Long-term deb. curr.	6,900	6,900
Accts. payable	84,00	84,100
Accruals	53,300	42,900
Accrued payroll	43,700	46,900
Income taxes	7,400	11,800
Prod. warranties	37,200	36,500
Co-op. adv. & merch. prog.	39,700	35,300
Curr. Liabilities	$ 291,200	$ 269,700
Long-term debt	165,100	172,400
Deferred inc. taxes	33,800	24,000
+ Common stock	23,100	22,100
Add. paid-in capital	65,500	64,800
Retained earnings	348,600	355,900
Total Liabilities & Shareholders' Equity	$ 927,300	$ 908,900

* At lower of cost (majority at FIFO, remainder at LIFO) or market.
# Less accumulated depreciation.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	—	5.34
%Net Income to Sales	—	3.71
%Net Income to Equity	—	14.36
Sales to Inventories	4.89	4.94
Debt to Equity	0.44	0.42
Working Capital	$396,100,000	$416,700,000
Current Ratio	2.36	2.55
Shareholders' Equity	$437,200,000	$442,800,000

Zero Corporation

777 Front Street
P.O. Box 509
Burbank, California 91503
(818) 846-4191

Officers: John B. Gilbert, chairman of the board; Howard W. Hill, vice chairman & chairman of the executive committee; Wilford D. Godbold, Jr., president & chief executive officer; James E. Osterman, v.p. & secretary; James F. Hermanson, Ronald L. Hess, vice presidents; Richard N. Holt, treasurer & assistant secretary.

Directors: John B. Gilbert, chairman; Richard R. Gomez, Howard W. Hill, Arnold D. Larson, Roger L. Putnam, Jr., Clinton G. Gerlach, Robert C. Sherburne, Wilford D. Godbold, Jr.

Areas of Work: Engaged in the design, manufacture and sale of metal containers, cabinets, instrument cases and other packaging for the electronics and data processing industries. Also manufactures and sells proprietary plastic and metal components and assemblies used in the electronics and other industries and devices for the cooling of electronic equipment, and a line of aluminum luggage and camera cases under the Zero Halliburton® name.

Divisions and Subsidiaries:

Dacobas, Inc.
1830-A North Voyager Avenue
Simi Valley, California 93063
Offers a line of electronic cabinets, enclosures, and technical support furnishings of modular design.

Zero-West Division
777 Front Street
Burbank, California 91503
(818) 846-4191

Zero-East Division
288 Main Street
Monson, Massachusetts 01057
(413) 267-5561

Scanbel Electronic Solutions
9255 Chesapeake Drive
San Diego, California 92123

McLean Engineering
70 Washington Road
Princeton Junction, New Jersey 08550
Manufactures blowers and fans for cooling electronic units.

McLean Midwest
4000 83rd Avenue North
Brooklyn Park, Minnesota 55443
Manufactures air conditioners and heat exchangers for electronic equipment.

Quiet Print, Inc.
20 Mill Street
Healdsburg, California 95448
Manufactures and sells accoustical enclosures marketed to the computer and telecommunications industry throughout the United States.

Samuel Groves & Co., Ltd.
Norton Street
Hockley, Birmingham, B185RQ England
Manufactures deep drawn food service containers and accessories.

Zero-Halliburton
12224 Montague Street
Pacoima, California 91331
Manufactures luggage and camera cases.

Acquisition(s):

Contempo Engineering
Glendale, California

Manufactures environmental control systems for computer room installations.

Electronic Solutions
San Diego, California

Manufactures both standard and custom card cages, backplanes, tabletop enclosures, memory boards and accessories for the electronics marketplace.

Transfer Agent(s):

Security Pacific National Bank
P.O. Box 60228, Terminal Annex
Los Angeles, California 90060

Stock Exchange(s): New York, Pacific

Ticker Symbol: ZRO

Sales and Earnings ×

	Net Sales	Net Income
1986	$ 128,698,000	$ 12,777,000
1985	124,404,000	11,812,000
1984	99,997,000	10,034,000
1983	85,178,000	8,293,000
1982	86,280,000	7,533,000

	No. of Com. Shares +	Earn. per Share ‡
1986	12,418,116	$ 1.03
1985	12,387,047	0.95
1984	12,368,913	0.81
1983	N.A.	0.68
1982	N.A.	0.66

N.A. - Not Available.
× Restated to include operations of companies acquired on a pooling of interests basis.
+ Adjusted to reflect stock splits.
‡ Based on the weighted average number of shares outstanding adjusted to reflect stock splits.

Revenues By Line of Business

	1986	1985
Specialized enclosures	$ 74,082,000	$ 67,501,000
Enclosure accessories	42,216,000	47,052,000
Other	12,400,000	9,851,000
Total	$ 128,698,000	$ 124,404,000

Common Stock

	Cash Dividend‡	Stock Dividend	Stock Split
1986	$0.272	—	5-for-4
1985	0.244	—	5-for-4
1984	0.211	—	3-for-2
1983	0.195	—	5-for-4
1982	0.157	—	5-for-4

‡ Adjusted to reflect stock splits.

Common Stock Equity ×

	Total Equity	Equity Per Share ‡
1986	$ 73,935,000	$ 6.00
1985	63,535,000	5.18
1984	54,728,000	4.48
1983	46,774,000	3.84
1982	40,239,000	3.35

× Restated.
‡ Adjusted to reflect stock splits.

Income Account
(000's)

Year ended March 31	1986	1985 ‡
Net sales	$ 128,698	$ 124,404
Eq. in earn. of OTI	416	825
Interest income	1,713	1,696
Other income	5,942	565
Total Income	$ 136,769	$ 127,490
Cost of sales	78,314	77,334
Expenses	26,347	23,216
Depreciation & amortization	3,981	3,384
Interest expense	1,565	1,583
Income before taxes	$ 26,562	$ 21,973
Income taxes	13,785	10,161
Net Income	$ 12,777	$ 11,812

‡ Restated.

Assets
(000's)

As of March 31	1986	1985 ‡
Cash	$ 1,192	$ 1,039
Marketable securities	28,075	18,106
Receiv., net	21,431	21,621
*Inventories	17,250	17,986
Prepaid expenses	1,602	820
Deferred inc. taxes	2,031	1,233
Current Assets	$ 71,581	$ 60,805
Invest. in OTI	—	4,272
#Fixed assets	23,921	23,341
Other assets	2,030	1,783
Intangibles	10,731	5,325
Total Assets	$ 108,263	$ 95,526

Liabilities
(000's)

Long-term debt, curr.	$ 854	$ 1,264
Subordinated debt, curr.	594	274
Accts. payable	3,735	3,986
Inc. taxes payable	179	335
Accrued taxes	1,815	1,184
Accrued interest	163	187
Accrued payroll	5,182	5,397
Accrued workers' comp.	1,172	801
Other accruals	2,662	2,388
Curr. Liabilities	$ 16,356	$ 15,816
Long-term debt	7,029	6,110
Subord. debt	1,688	2,288
Deferred inc. taxes	50	381
Cap. lease oblig.	633	962
Other liabilities	5,504	4,172
Minority interest	3,068	2,262
+Common stock	12,333	9,818
Add. paid-in capital	9,041	10,968
Retained earnings	52,640	43,278
For. curr. trans. adj.	(79)	(529)
Total Liabilities & Shareholders' Equity	$ 108,263	$ 95,526

‡ Restated.
* At lower of cost (FIFO or average) or market.
# Less accumulated depreciation and amortization.
+ $1 par value.

Statistical Summary

%Income bef. Taxes to Sales	20.64	17.66
%Net Income to Sales	9.93	9.49
%Net Income to Equity	17.28	18.59
Sales to Inventories	7.46	6.92
Debt to Equity	0.15	0.17
Working Capital	$55,225,000	$44,989,000
Current Ratio	4.38	3.84
Shareholders' Equity	$73,935,000	$63,535,000

Zygo Corporation

Laurel Brook Road
Middlefield, Connecticut 06455
(203) 347-8506

Officers: Paul F. Forman, chairman of the board, pres., chief exec. officer & treasurer; Carl A. Zanoni, v.p.-engineering; Sol F. Laufer, v.p.-optics group; James R. Downey, Jr., v.p.-finance & administration; Thomas O. Hagerth, v.p.-marketing; I. Frederick Shotkin, secretary; Winfield L. Guilmette, v.p.-instrument manufacturing.

Directors: Paul F. Forman, chairman; Carl A. Zanoni, Fujio Mitarai, Burton S. Sonenstein, Takashi Kojima, Robert G. McKelvey.

Areas of Work: The company designs, develops, manufactures and markets high-performance, laser-based, non-contact electro-optical measuring instruments and systems, and also manufactures optical components to extremely precise tolerances both for sale and for use as key elements in its own products. The company's instruments and systems are used to enhance productivity and improve product quality in a variety of industrial, scientific, and aerospace applications. The company is a worldwide producer of general purpose laser interferometers, microprocessor-based interferometer data analyzers, and related accessories which measure optical elements and systems, and precision manufactured components. The company also produces laser telemetric systems, which use scanning laser beams and microprocessor-based signal processors to make precision dimensional measurements.

Transfer Agent(s):

Continental Stock Transfer and Trust Company
72 Reade Street
New York, New York 10007

Stock Exchange(s): Over-the-Counter

Ticker Symbol: ZIGO (NASDAQ)

Number of Employees:

1985	325	1983	250
1984	285		

Plant Footage:

1985	100,000 sq. ft.	1983	100,000
1984	100,000		

Sales and Earnings

	Net Sales	Net Income
1985	$ 21,597,000	$ 1,008,000
1984	17,512,000	1,108,000
1983	14,270,000	802,000
1982	11,148,000	104,000
1981	10,611,000	1,116,000

	No. of Com. Shares #	Earn. per Share #
1985	2,461,000	$ 0.41
1984	2,129,000	0.52
1983	1,735,000	0.46
1982	1,732,000	0.06
1981	1,720,000	0.65

Based on the weighted average number of common shares outstanding.

Revenues By Line of Business

	1985	1984
Instruments & systems	$ 80%	$ 79%
Precision optical components	20%	21%
Total	$ 100%	$ 100%

Common Stock Equity

	Total Equity	Equity Per Share ‡
1985	$ 16,421,000	$ 6.67
1984	15,369,000	7.22
1983	6,093,000	3.51
1982	5,287,000	3.05
1981	4,981,000	2.90

‡ Based on the weighted average number of common shares outstanding.

Zygo Corporation

Income Account *
(000's)

Year ended June 30	1985	1984
Net sales	$ 21,597	$ 17,512
Cost of sales	13,751	9,477
Expenses	6,549	5,975
Interest income	(299)	(161)
Interest expense	225	539
Other income	(147)	
Income bef. taxes	$ 1,518	$ 1,682
Income taxes	510	574
Net Income	$ 1,008	$ 1,108

* Included in Costs and Expenses, Depreciation and Amortization: $788,000 in 1985 and $655,000 in 1984.

Assets
(000's)

As of June 30	1985	1984
Cash	$ 2,857	$ 2,966
Accts. receiv., net	6,563	5,799
*Inventories	7,618	6,963
Prepaid expenses	180	136
Current Assets	$ 17,218	$ 15,864
#Fixed assets	6,428	6,141
Other assets	285	142
Total Assets	$ 23,931	$ 22,147

Liabilities
(000's)

Long-term debt, curr	$ 339	$ 353
Accts. payable	1,204	686
Cust. prog. pay.	22	—
Accrued payroll	937	740
Other accruals	469	511
Income taxes payable	13	203
Deferred inc. taxes	1,032	776
Curr. Liabilities	$ 4,016	$ 3,269
Long-term debt	2,349	2,589
Deferred income	200	200
Deferred inc. taxes	945	720
+Common stock	239	238
+Class D common stock	—	1
+Junior common stock	1	—
Add. paid-in capital	9,323	9,280
Retained earnings	6,858	5,850
Total Liabilities & Shareholders' Equity	$ 23,931	$ 22,147

* At lower of standard cost (FIFO) or market.
# Less accumulated depreciation.
† $0.10 par value.

Statistical Summary

%Income bef. Taxes to Sales	7.03	9.60
%Net Income to Sales	4.67	6.33
%Net Income to Equity	6.56	7.21
Sales to Inventories	2.83	2.52
Debt to Equity	0.16	0.19
Working Capital	$13,202,000	$12,595,000
Current Ratio	4.29	4.85
Shareholders' Equity	$16,421,000	$15,369,000

INDEX

PAGE

AAR Corp. 1
A.B.A. Industries, Inc. (see General Defense Corporation) 185
A.B. Chance Company (see Emerson Electric Co.) 158
Abscoa Industries, Inc. (see AAR Corp.) 1
Accupress, Inc. (see Bishop Graphics, Inc.) 61
Accurate Bushing Company (see Ex-Cell-O Corporation) 166
Accurate Products (see Sheller-Globe Corporation) 366
AccuRay Corporation 2
Accusonic Systems Corporation (see Designatronics Incorporated) 124
ACDC Electronics (see Emerson Electric Co.) 158
Ace Electric Company, Inc. (see Echlin Inc.) 146
Acme Electric Corporation 3
Acoustic Research (see Teledyne, Inc.) 404
Acton Environmental Testing Corporation (see Electro Audio Dynamics, Inc.) 151
Acts Computing Corporation (see Lear Siegler, Inc.) 255
ADAC Laboratories 3
Adage, Inc. 4
Adams Plastics (see Kidde, Inc.) 245
Adams-Russell Co., Inc. 5
ADC International, Inc. (see Magnetic Controls Company) 272
ADC Telecommunications, Inc. 6
ADData Systems, Inc. (see Techtran Industries, Inc.) 403
Addmaster Corporation 6
Advance Security (see Figgie International Inc.) 172
Advance Tooling and Engineering Co., Inc. (see General Binding Corporation) 183
Advance Transformer Company (see North American Philips Corporation) 310
Advanced Circuitry (see Litton Industries, Inc.) 258
Advanced Marine Systems (see Lockheed Corporation) 264
Advanced Metallurgy, Inc. (see Technitrol, Inc.) 400
Advanced Micro Devices, Inc. 7
Advanced Terminals, Inc. (see Centronics Data Computer Corp.) 77
Adventures Limited Partnership (see Analog Devices, Inc.) 25
AEL Industries, Inc. 7
Aero Corporation (see Whitehall Corporation) 455
Aero Products (see Litton Industries, Inc.) 258
Aero Service (see Litton Industries, Inc.) 258

PAGE

Aerochem, Inc. (see Ducommun Incorporated) 134
Aeroflex Laboratories Incorporated 7
Aerojet-General (see GenCorp) 181
Aeronca, Inc. 9
Aeronetics (see AAR Corp.) 1
Aeroscientific Corporation (see Data-Design Laboratories) 116
Aerosonic Corporation 10
Aerospace Group (see Moog Inc.) 296
Aertech Industries (see TRW Inc.) 422
AES Technology Systems, Inc. 10
AFA Protective Systems, Inc. 11
Aircraft Hydro-Forming, Inc. (see Ducommun Incorporated) 134
Airkaman of Jacksonville, Inc. (see Kaman Corporation) 241
Airpax Corporation (see North American Philips Corporation) 310
Airtron (see Litton Industries, Inc.) 258
Ajax (see Cooper Industries, Inc.) 101
Ajax Die Casting (see Echlin Inc.) 146
Akron Brass Co. (see Premier Industrial Corporation) 330
Alanthus Data, Inc. (see M/A-COM, Inc.) 270
Alco Controls (see Emerson Electric Co.) 158
Alcoswitch (see Augat Inc.) 39
Algorex Corporation 11
All American Industries, Inc. (see International Controls Corp.) 231
All Channel Products (see Electro Audio Dynamics, Inc.) 151
Allegheny International, Inc. 12
Allen Aircraft (see AAR Corp.) 1
Allen Automated Systems Company (see Allen Group Inc., The) 13
Allen Group Inc., The 13
Allen Organ Company 14
Allen-Rogers Corporation (see Pratt-Read Corporation) 329
Alliance Manufacturing Co. (see North American Philips Corporation) 310
Alliance Tool Corporation (see Gleason Corporation) 196
Allied-Signal Inc. 15
Allo Metal Products (see General Kinetics Incorporated) 189
Almondbury, Ltd. (see EECO Incorporated) 147
Alpha Industries, Inc. 16
Alston (see Conrac Corporation) 98
Altair Corporation 16
Altair International, Inc. (see Augat Inc.) 39
Altec Co., Ltd. (see Penril Corp.) 322
Alfron, Inc. (see Pratt-Read Corporation) 329

INDEX

PAGE

Aluminum Extrusion (see Ametek, Inc.) 23
Amalgamated Electric Corporation, Limited (see Canadian General Electric Company Limited) 75
Amana Refrigeration, Inc. (see Raytheon Company) 339
AMBAC Industries, Incorporated (see United Technologies Corporation) 430
Amcomp, Inc. (see Datapoint Corporation) 117
Amdahl Corporation 17
Amecom (see Litton Industries, Inc.) 258
American Aviation Resources, Inc. (see AAR Corp.) 1
American Avitron, Inc. (see Lear Siegler, Inc.) 255
American Color & Chemical Corp. (see North American Philips Corporation) 310
American Computer Corporation (see Cognitronics Corporation) 82
American Electromedics Corp. (see Electro Audio Dynamics, Inc.) 151
American Electronic Laboratories, Inc. (see AEL Industries, Inc.) 7
American Electronics (see American Pacesetter) 18
American Flexible Conduit (see Nortek, Inc.) 309
American Medical Instrument Corporation (see Vernitron Corporation) 439
American Pacesetter 18
American Precision Industries Inc. 19
American Science and Engineering, Inc. 20
American Standard Inc. 20
American Superior Electric Company, Limited, The (see Superior Electric Company, The) 392
American Telephone & Telegraph Company 22
American Watch Case Corporation (see Bulova Watch Company, Inc.) 67
Ametek, Inc. 23
AMP Incorporated/Pamcor, Inc. 24
Amperex Electronic Corp. (see North American Philips Corporation) 310
Ampex Corporation (see Allied-Signal Inc.) 15
Amplica, Inc. (see Communications Satellite Corporation) 87
Amprobe Instrument (see Core Industries Inc.) 103
AMS Industries, Inc. (see Kidde, Inc.) 245
AmTote (see General Instrument Corporation) 188
Anacon Inc. (see High Voltage Engineering Corporation) 215
Analog Devices Enterprises (see Analog Devices, Inc.) 25
Analog Devices, Inc. 25
Analog Solutions (see Silicon General, Inc.) 369

PAGE

Analogic Corporation 26
Analytic Decisions, Inc. (see Ball Corporation) 47
Analytyx Electronics Systems, Inc. (see Sanders Associates, Inc.) 352
Anaren Microwave, Inc. 27
Anchor Brush Company, Inc. (see North American Philips Corporation) 310
Anchor/Guth (see General Signal Corporation) 191
Andersen Group, Inc. 28
Anderson Jacobson, Inc. 28
Anderson Power Products, Inc. (see High Voltage Engineering Corporation) 215
Anderson-Nichols & Company, Inc. (see LFE Corporation) 257
Andrea Radio Corporation 29
ANECO Company (see Dynalectron Corporation) 136
Angstrohm Precision, Inc. (see Vishay Intertechnology, Inc.) 440
Anilam Electronics Corp. (see Core Industries Inc.) 103
Anixter Bros., Inc. 30
Anzac Electronics (see Adams-Russell Co., Inc.) 5
Apex (see Cooper Industries, Inc.) 101
Apex Electronics Inc. 30
Apple Computer, Inc. 31
Applied Digital Data Systems, Inc. (see NCR Corporation) 304
Applied Electrochemistry (see Ametek, Inc.) 23
Applied Magnetics Corporation 21
Applied Optics Center Corporation (see Varo, Inc.) 436
Applied Research, Inc. (see Wyle Laboratories) 459
Applied Resources, Inc. (see Allegheny International, Inc.) 12
Applied Solar Energy Corporation 32
Ar-Dee Manufacturing Co., Inc. (see Sundstrand Corporation) 391
ARB, Inc. (see Control Data Corporation) 99
Argo of Penna., Inc. (see Industrial Acoustics Company) 222
ARGOSystems 33
Arista Manufacturing Systems (see Xerox Corporation) 460
Armatron International, Inc. 33
Armin Corporation (see Tyco Laboratories, Inc.) 425
Arrow Electronics, Inc. 34
Arrow-Hart (see Cooper Industries, Inc.) 101
Artek Systems Corporation (see Dynatech Corporation) 140

INDEX

PAGE

Arvin Industries, Inc. 35
ASI Electronics (see Astrex, Inc.) 36
ASI, Inc. (see Astrex, Inc.) 36
ASPRO, INC. (see Dyneer Corporation) 141
Associated Testing Laboratories, Inc. (see Kidde, Inc.) 245
AST/Servo Systems, Inc. (see Vernitron Corporation) 439
Astrex, Inc. 36
Astro Circuit Corp. (see Electro Audio Dynamics, Inc.) 151
Astro-Med, Inc. 36
Astronics (see Lear Siegler, Inc.) 255
Astrosystems, Inc. 37
A T & T (see American Telephone & Telegraph Company) 22
Atex, Inc. (see Eastman Kodak Company) 143
Atlan-Tol Industries, Inc. (see Astro-Med, Inc.) 36
Atlantic Coast Electronics (see Tyco Laboratories, Inc.) 425
Atlantic Machine Tool Works, Inc. (see Ex-Cell-O Corporation) 166
Atlantic Research Corporation 37
Atlantic Semiconductor (see Diodes Incorporated) 132
Atlantic Time Products Corporation (see Bulova Watch Company, Inc.) 67
A-T-O Inc. (see Figgie International Inc.) 172
Audiotronics Corporation 38
Augat Inc. 39
Ault Incorporated 40
Auric Corporation 40
Aurora Pump (see General Signal Corporation) 191
Auscom, Inc. (see KMW Systems Corporation) 249
Austron, Inc. 41
AutEx Systems (see Xerox Corporation) 460
Auto-trol Technology Corporation 42
Autocon Industries, Inc. (see Control Data Corporation) 99
Autolab (see Spectra-Physics, Inc.) 377
Automatic Radio Manufacturing Co., Inc. (see Armatron International, Inc.) 33
Automatic Sprinkler Corp. of America (see Figgie International Inc.) 172
Automation Industries, Inc. (see Penn Central Corporation) 322
Automatix Incorporated 41
Automotive Controls (see Illinois Tool Works Inc.) 220
Automotive Controls Corp. (see Echlin Inc.) 146
Autonetics Strategic Systems (see Rockwell International Corporation) 348

PAGE

Avantek 43
Avco Corporation (see Textron Inc.) 412
Avcon Industries (see Butler National Corporation) 72
Avnet, Inc. 43
Avon Custom Mixing Services (see Columbia Chase Corporation) 86
AVX Corporation 44
Axel Electronics (see General Signal Corporation) 191
Axiom Electronics Ltd. (see Arrow Electronics, Inc.) 34
Aydin Corporation 45

B.I.C./Avnet (see Avnet, Inc.) 43
Backplane Connection Systems (see Teradyne, Inc.) 409
Badger Meter, Inc. 46
Badger-Powhatan (see Figgie International Inc.) 172
Baird Corporation 47
Baird-Atomic, Inc. (see Baird Corporation) 47
Baker, Knapp & Tubbs, Inc. (see North American Philips Corporation) 310
Ball Corporation 47
Ballantyne of Omaha, Inc. (see Canrad, Inc.) 76
Ballonoff Home Products (see Pentron Industries, Inc.) 324
Bally Manufacturing Corporation 48
Barnes Engineering Company 49
Barry Controls (see Barry Wright Corporation) 50
Barry Wright Corporation 40
Bartelt Machinery (see Rexham Corporation) 343
Basco (see American Precision Industries Inc.) 19
Base Ten Systems, Inc. 51
Basic Microelectronics, Inc. (see Textron Inc.) 412
Bastian Industries 51
Bausch & Lomb Incorporated 52
BBN-Communications Corporation (see Bolt Beranek and Newman Inc.) 64
BBN-Instruments Corporation (see Bolt Beranek and Newman Inc.) 64
BCA Ltd. (see Transducer Systems, Inc.) 420
Beaird-Poulan (see Emerson Electric Co.) 158
Beatrice Companies, Inc. 53
Beau Products (see Vernitron Corporation) 439
Beckman Instruments, Inc. (see SmithKline Beckman Corporation) 373
Becton, Dickinson and Company 54
Beehive International 55
Bekins Record Management Companies (see Bell & Howell Company) 57

INDEX

PAGE

Bel Fuse Inc. 56
Belden Electrical Wire Products (see Cooper Industries, Inc.) 101
Belden Electronic Wire and Cable (see Cooper Industries, Inc.) 101
Bell & Howell Company 57
Bell Aerospace (see Textron Inc.) 412
Bell Helicopter (see Textron Inc.) 412
Bell Industries 58
Bell Telephone Laboratories, Inc. (see American Telephone & Telegraph Company) 22
Bendix Corporation (see Allied-Signal Inc.) 15
Benjamin Electronic Sound Co. (see Instrument Systems Corporation) 225
Bentley-Harris Manufacturing Company (see Raychem Corporation) 338
Berg Manufacturing Co. (see Echlin Inc.) 146
Berger Instruments (see High Voltage Engineering Corporation) 215
Bermite (see Whittaker Corporation) 456
Bessler Educational Systems & Technology, Inc. (see Weatherford Co., R.V.) 445
Beta Development Corporation (see Titan Corporation, The) 417
BIF (see General Signal Corporation) 191
Bio-Nomic Resources, Inc. (see Rexnord Inc.) 344
Bio-Rad Laboratories Inc. 60
Biosearch, Inc. (see New Brunswick Scientific Co., Inc.) 307
Biosound, Inc. (see Andersen Group, Inc.) 28
Biotec Technologie Biomediche (see Medtronic, Inc.) 278
Birtcher Corporation, The 61
Bishop Electric (see General Signal Corporation) 191
Bishop Graphics, Inc. 61
Black Box Corporation (see Micom Systems, Inc.) 282
Blackstone Mfg. (see Echlin Inc.) 146
BMC Industries, Inc. 62
Bodenseewerk Geractetechnik G.m.b.H. (see Perkin-Elmer Corporation, The) 325
Bodmin Precision Components Limited (see Ranco Incorporated) 336
Boeing Company, The 63
Bogen (see Lear Siegler, Inc.) 255
Bolt Beranek and Newman Inc. 64
Boonton Electronics Corporation 64
Boschert Inc. (see Computer Products, Inc.) 93
BostoMatic International Corporation (see Boston Digital Corporation) 65
Boston Digital Corporation 65
Bowmar Instrument Corporation 65

PAGE

Boyar-Schultz Corporation (see Esterline Corporation) 163
BR Communications 66
Bra-Con Industries, Inc. (see Allegheny International, Inc.) 12
Brake Parts Co. (see Echlin Inc.) 146
Brake Systems, Inc. (see Echlin Inc.) 146
Brazonics, Inc. (see Adams-Russell Co., Inc.) 5
Brevel Motors, Inc. (see Vernitron Corporation) 439
Bridgeport Machines (see Textron Inc.) 412
Brightline Corporation (see Frequency Electronics, Inc.) 179
Bristol Saybrook Company, The (see Pratt-Read Corporation) 329
Broadband Communications Products (see Augat Inc.) 39
Brooks & Perkins/Advanced Structures (see AAR Corp.) 1
Brooks & Perkins/Brownline (see AAR Corp.) 1
Brooks & Perkins/Cadillac Manufacturing (see AAR Corp.) 1
Brooks & Perkins/Materials Handling (see AAR Corp.) 1
Brooks & Perkins/Skydyne (see AAR Corp.) 1
Brooks Instrument (see Emerson Electric Co.) 158
Brooks Technology (see Premier Industrial Corporation) 330
Brown & Root, Inc. (see Halliburton Company) 203
Brown Engineering (see Teledyne, Inc.) 404
Brownell Electro, Inc. (see Avnet, Inc.) 43
Browning Mfg. (see Emerson Electric Co.) 158
Bryant (see Westinghouse Electric Corporation) 451
Bryant Grinder Corporation (see Ex-Cell-O Corporation) 166
Buck Engineering Co., Inc. 67
Buckbee Mears Company (see BMC Industries, Inc.) 62
Buildex (see Illinois Tool Works Inc. 220
Bulova Watch Company, Inc. 67
Bunting Inc. 68
Burndy Corporation 69
Burroughs Corporation 69
Burton Electrical Engineering (see Wyle Laboratories) 459
Butler National Corporation 72
BWD Automotive Corp. (see Echlin Inc.) 146
BWD Automotive of Puerto Rico, Inc. (see Echlin Inc.) 146
BWD International (see Echlin Inc.) 146

C-T Engineering Co. (see Premier Industrial Corporation) 330

INDEX

PAGE

C.C. Systems, Inc. (see Computer Communications, Inc.) 92
CADAM, Inc. (see Lockheed Corporation) 264
Cadillac Electric Supply Co. (see Premier Industrial Corporation) 330
Cadillac Gage Company (see Ex-Cell-O Corporation) 166
Cadillac Machines, Inc. (see HCC Industries) 209
CAE Industries Ltd. 72
CAE Systems, Inc. (see Tektronix, Inc.) 403
Cal-Doran (see Thermo Electron Corporation) 414
CalComp Digitizer Products (see Sanders Associates, Inc.) 352
Calibron Corporation (see Koss Corporation) 251
California Microwave, Inc. 73
Caloric Corporation (see Raytheon Company) 339
Calspan Corporation (see Arvin Industries, Inc.) 35
Cambex Corporation 74
Cambion (see Midland-Ross Corporation) 286
Cambridge Interactive Systems Limited (see Computervision Corporation) 97
Cambridge Memories, Inc. (see Cambex Corporation) 74
Campbell Chain (see Cooper Industries, Inc.) 101
Canada ITW Limited (see Illinois Tool Works Inc.) 220
Canadian Bronze Co., Ltd. (see CAE Industries Ltd.) 72
Canadian Data Card Limited (see Data Card Corporation) 114
Canadian General Electric Company Limited 75
Canadian Marconi Company 75
Canrad, Inc. 76
Cansas International Corporation (see Butler National Corporation) 72
CAP Communications Limited (see Electrohome Limited) 152
Car-lac Electronics (see Premier Industrial Corporation) 330
Carbolon Corporation (see High Voltage Engineering Corporation) 215
Carco Electronics 77
Cardiac Datacorp, Inc. (see Andersen Group, Inc.) 28
Cardiac Pacemakers, Inc. (see Eli Lilly and Company) 157
Cardiac Resuscitator Corporation (see Emerson Radio Corp.) 160
Cardion Electronics (see General Signal Corporation) 191
Cardwell Westinghouse (see American Standard Inc.) 20

PAGE

Carlton Group (see Moog Inc.) 296
Carlton Mfg. (see Avnet, Inc.) 43
Carol Cable Company (see Avnet, Inc.) 43
Carr (see TRW Inc.) 422
Carrier Corporation (see United Technologies Corporation) 430
Carroll Touch, Inc. (see AMP Incorporated/Pamcor, Inc.) 24
Carsonite International Inc. (see Ametek, Inc.) 23
Carthage Precision Electric Co. (see Methode Electronics, Inc.) 281
Catrix Parenteral Systems (see Survival Technology, Inc.) 393
Central Electronics (see Zenith Electronics Corporation) 463
Central Microwave Company (see Alpha Industries, Inc.) 16
Central Moloney Transformer (see Colt Industries Inc.) 84
Centronics Data Computer Corp. 77
Century Data Systems (see Xerox Corporation) 460
Certanium Alloys & Research (see Premier Industrial Corporation) 330
Cessna Aircraft Company (see General Dynamics Corporation) 186
Cetec Corporation 78
Chandler Evans Control Systems (see Colt Industries Inc.) 84
Change-O-Matic, Inc. (see Dyneer Corporation) 141
Channel Master (see Avnet, Inc.) 43
Charles River Biotechnical Services, Inc. (see Bausch & Lomb Incorporated) 52
Chase & Sons, Inc. (see Columbia Chase Corporation) 86
Chelsea Industries, Inc. 79
Cheshire Incorporated (see Xerox Corporation) 460
Chicago Magnet Wire Corp. (see North American Philips Corporation) 310
Chronomatic (see Illinois Tool Works Inc.) 220
Chrysler Corporation 79
Cinch-Monadnock (see TRW Inc.) 422
Cincinnati Time Recorder (see General Signal Corporation) 191
Ciprico Inc. 80
Circuit Design & Mfg., Inc. (see Data-Design Laboratories) 116
Circuit Image Industries, Inc. (see Hadco Corporation) 202
Cirrus Computers, Ltd. (see GenRad, Inc.) 193
Cirtech Corporation (see EG&G, Inc.) 148
CIS MEDUSA, Inc. (see Computervision Corporation) 97

INDEX

PAGE

CIS, Inc. (see Computervision Corporation) 97
Civiltech Corporation (see TRW Inc.) 422
Clare (see General Instrument Corporation) 188
Clark Metal Products (see Tyco Laboratories, Inc.) 425
Clarostat Mfg. Co., Inc. 81
Clausing Corporation (see Rexnord Inc.) 344
Clay Adams (see Becton, Dickinson and Company) 54
Clifton Precision (see Litton Industries, Inc.) 258
Clifton-Special Devices (see Litton Industries, Inc.) 258
CMI Laboratories (see California Microwave, Inc.) 73
CMX Corporation 81
Coast Wholesale Music Company (see Kaman Corporation) 241
Code-A-Phone Corporation (see Conrac Corporation) 98
Coded Communications Corp. (see Decom Systems, Inc.) 123
Coded Communications Network Systems (see Decom Systems, Inc.) 123
Cognitronics Corporation 82
Coherent, Inc. 83
Cohu, Inc. 84
Colight (see Canrad, Inc.) 76
Collins (see Rockwell International Corporation) 348
Colonial Engineering Co. (see Avnet, Inc.) 43
Colorgraphic Systems, Inc. (see Dynatech Corporation) 140
Colt Industries Inc. 84
Columbia Chase Corporation 86
Columbia Electronic Cables (see Avnet, Inc.) 43
Columbia Technical Corporation (see Columbia Chase Corporation) 86
Comm/Scope, Inc. (see M/A-COM, Inc.) 270
Commercial Sound and Telecommunications (see Sterling Electronics Corporation) 386
Communications Satellite Corporation 87
Communications Transistor Corp. (see Varian Associates, Inc.) 435
Components, Incorporated (see Corning Glass Works) 104
CompositeAir, Inc. (see Aeronca, Inc.) 9
Compucorp 88
CompuDyne Corporation 88
Compugraphic Corporation 89
CompuScan, Inc. 90
Computer & Communications Technology Corp. 90
Computer Automation, Inc. 91

PAGE

Computer Communications, Inc. 92
Computer Consoles, Inc. 92
Computer Image Corporation 93
Computer Optical Products, Inc. (see Hathaway Corporation) 207
Computer Power Products Corporation (see Titan Corporation, The) 417
Computer Products, Inc. 93
Computer Sciences Corporation 94
Computer Specialties Corporation 95
Computer Terminal Systems, Inc. 95
Computer Transciever Systems, Inc. 96
Computervision Corporation 97
Computrol Corporation (see Kidde, Inc.) 245
CompuWeigh Corporation (see CompuDyne Corporation) 88
COMSAT General Corporation (see Communications Satellite Corporation) 87
Comtech Laboratories Inc. (see Comtech, Inc.) 98
Comtech, Inc. 98
Concord Communications System (see Instrument Systems Corporation) 225
Concord Systems, Inc. (see Penril Corp.) 323
Concurrent Computer Corp. (see Perkin-Elmer Corporation, The) 325
Connector Company of America (see Astrex, Inc.) 36
Conrac Corporation 98
Consolidated Cover Company (see Cubic Corporation) 109
Consolidated Packaging Machinery (see Figgie International Inc.) 172
Consolidated Video Systems, Inc. (see Harris Corporation) 205
Continental Electronics (see Varian Associates, Inc.) 435
Continental Hydraulic Hose Corp. (see Echlin Inc.) 146
Continental-Emsco Company (see LTV Corporation, The) 268
Control Data Corporation 99
Control Laser Corporation 100
Controlonics Corporation (see Dynatech Corporation) 140
Controls and Composition Systems (see Harris Corporation) 205
Contromatics (see Litton Industries, Inc.) 258
Convergent Technologies, Inc. 101
Cooper Industries, Inc. 101
Cooper-Bessemer Reciprocating (see Cooper Industries, Inc.) 101
Cooper-Bessemer Rotating (see Cooper Industries, Inc.) 101

INDEX

PAGE

Corcom, Inc. 102
Core Industries Inc. 103
Corning Glass Works 104
Cornwall & Patterson Company, The (see Pratt-Read Corporation) 329
Cortron (see Illinois Tool Works Inc.) 220
CPRC, Inc. (see Computer Products, Inc.) 93
CPT Corporation 105
Craig Corporation 106
Craig Intra-Con Electronics Corp. (see Craig Corporation) 106
Craig Systems Corporation (see Kidde, Inc.) 245
Cramer (see Conrac Corporation) 98
Cray Research, Inc. 106
Credidyne Corporation (see Alpha Industries, Inc.) 16
Crestek, Inc. 107
Crittenden (see Teledyne, Inc.) 404
Cross & Trecker Corporation 108
Cross Company, The (see Cross & Trecker Corporation) 108
Crouse-Hinds Distribution Equipment (see Cooper Industries, Inc.) 101
Crouse-Hinds Electrical Construction Materials (see Cooper Industries, Inc.) 101
Crouse-Hinds Lighting Products (see Cooper Industries, Inc.) 101
Crum & Foster (see Xerox Corporation) 460
Crydom Controls (see International Rectifier Corporation) 232
Crystalonics (see Teledyne, Inc.) 404
Crystek Crystals Corporation (see Whitehall Corporation) 455
CTS Corporation 108
CTSI (see Computer Transciever Systems, Inc.) 96
Cubic Communications, Inc. (see Cubic Corporation) 109
Cubic Corporation 109
Cubic Data Systems, Inc. (see Cubic Corporation) 109
Cubic Precision (see Cubic Corporation) 109
Cubic Western Data, Inc. (see Cubic Corporation) 109
Curtiss-Wright Corporation 110
Cushman Electronics, Inc. 111
Customized Connectors (see Augat Inc.) 39
CV Holdings, Inc. (see Computervision Corporation) 97
Cyclotron Corporation, The 111

D-A Lubricant Company (see Premier Industrial Corporation) 330
D.E.C. Electronic Corporation (see Digilog Inc.) 130

PAGE

Daedalus Enterprises, Inc. 112
Damon Corporation 112
Dana Electronics (see EIP Microwave, Inc.) 150
Daniel Industries, Inc. 113
Data Capture Technology (see Hathaway Corporation) 207
Data Card Corporation 114
Data Command Systems (see Litton Industries, Inc.) 258
Data File Ltd. Canada (see Barry Wright Corporation) 50
Data General Corporation 115
Data Microwave, Inc. (see M/A-COM, Inc.) 270
Data Systems (see Litton Industries, Inc.) 258
Data Tron (see Avnet, Inc.) 43
Data-Control Systems (see CompuDyne Corporation) 88
Data-Design Laboratories 116
Datacom Systems Corp. (see Lockheed Corporation) 264
DatagraphiX, Inc. (see General Dynamics Corporation) 186
Datapoint Corporation 117
Datapower, Inc. 118
Dataproducts Corporation 118
Datascope Corp. 119
Datasouth Computer Corporation 120
Datatron, Inc. 120
Datatronix (see Atlantic Research Corporation) 37
Datron Systems, Inc. (see International Controls Corp.) 231
Datum Inc. 121
Davidson Rubber Company (see Ex-Cell-O Corporation) 166
Davmor Product Systems, Inc. (see Bastian Industries) 51
Day-Brite Lighting (see Emerson Electric Co.) 158
DBA Systems, Inc. 121
DCA International, Inc. (see Digital Communications Associates, Inc.) 130
DCA Investment Corporation (see Digital Communications Associates, Inc.) 130
De Zurik (see General Signal Corporation) 191
Decision Industrial Corporation 122
Decom Systems, Inc. 123
Del Electronics Corp. 124
Del Monte, Inc. (see AAR Corp.) 1
Delco Electronics (see General Motors Corporation) 190
Delevan (see American Precision Industries Inc.) 19
Delta-Unibus Corp. (see Powell Industries, Inc.) 328

INDEX

PAGE

Demco (see Cooper Industries, Inc.) 101
Designatronics Incorporated 124
DEST Corporation 125
Detection Systems, Inc. 125
Detroit Stoker Company (see United Industrial Corporation) 429
Devcon Corporation (see Illinois Tool Works Inc.) 220
Devry Inc. (see Bell & Howell Company) 57
Dewey Electronics Corporation, The 126
Dexcel (see Gould Inc.) 198
Dexon, Inc. 127
Diablo Systems, Inc. (see Xerox Corporation) 460
Diagnostic/Retrieval Systems, Inc. 127
Dialight Corp. (see North American Philips Corporation) 310
DIALOG Information Services, Inc. (see Lockheed Corporation) 264
Diamed (see Illinois Tool Works Inc.) 220
Diamond H. Controls, Ltd. (see Oak Industries, Inc.) 315
Di-An Controls, Inc. 128
DICOMED Corporation 128
Diebold, Incorporated 129
Dielectric Polymers, Inc. (see Park Electrochemical Corp.) 320
Digilab (see Bio-Rad Laboratories Inc.) 60
Digilog Inc. 130
Digital Applications, Inc. (see Data-Design Laboratories) 116
Digital Communications Associates, Inc. 130
Digital Communications Corporation (see M/A-COM, Inc.) 270
Digital Datacom, The (see Honeywell, Inc.) 216
Digital Equipment Corporation 131
Digital Machines International (see Ducommun Incorporated) 134
Digital Paging Systems, Inc. (see Graphic Scanning Corp.) 199
Digital Radiography Computer Systems (see ADAC Laboratories) 3
Digital Signal Processing (see Analog Devices, Inc.) 25
Digital Video Systems Corp. (see Scientific-Atlanta, Inc.) 359
Digitran Company, The (see Becton, Dickinson and Company) 54
Dillon & Company, W.C. (see SCOPE Incorporated) 361
Dimension Inc. (see SCOPE Incorporated) 361
Dimension Specialty Co., Inc. (see Craig Corporation) 106
Dimensional Systems, Incorporated (see Astrosystems, Inc.) 37

PAGE

Dimetrics, Inc. (see Talley Industries, Inc.) 395
Diodes Incorporated 132
Dionics, Inc. 132
Discrete Semiconductor (see General Instrument Corporation) 188
Disctron, Inc. (see Computer & Communications Technology Corp.) 90
Displex, Inc. (see North Hills Electronics, Inc.) 311
Diversified Power Systems, Inc. (see Powell Industries, Inc.) 328
Diversitech General (see GenCorp) 181
Documation Incorporated (see Storage Technology Corporation) 388
Dolan-Jenner (see Barry Wright Corporation) 50
Dominion Engineering Works Limited (see Canadian General Electric Company Limited) 75
Doric Scientific (see Emerson Electric Co.) 158
Dorne & Margolin, Inc. (see Metex Corporation) 280
Douglas Aircraft Company (see McDonnell Douglas Corporation) 276
Douglas Randall (see Kidde, Inc.) 245
Dow Radio Inc. (see Weatherford Co., R.V.) 445
Dowzer Electric (see General Signal Corporation) 191
Doylestown Manufacturing Corp. (see Thomas & Betts Corporation) 415
Dracon (see Harris Corporation) 205
Dranetz Engineering Laboratories, Inc. (see Dranetz Technologies, Inc.) 133
Dranetz Technologies, Inc. 133
DRC International Corporation (see Dynamics Research Corporation) 138
Dremel Manufacturing (see Emerson Electric Co.) 158
Drexler Technology Corporation 134
DSI Management Company (see Decom Systems, Inc.) 123
Dubner Computer Systems, Inc. (see Tektronix, Inc.) 403
Ducommun Incorporated 134
Dunn Instruments (see DBA Systems, Inc.) 121

du Pont de Nemours & Company, E.I. 135

Dura Corporation (see Kidde, Inc.) 245
Dutrex Industries, Inc. (see Astrex, Inc.) 36
Dynalectron Corporation 136
Dynamics Corporation of America 137
Dynamics Research Corporation 138
Dynapower (see General Signal Corporation) 191
Dynascan Corporation 139

INDEX

PAGE

Dynatech Corporation 140
Dynavision, Inc. (see Microdyne Corporation) 284
Dyneer Corporation 141

E.E. Electronic Components, Inc. (see Napco Security Systems, Inc.) 301
EAC Industries, Inc. 142
Eagle Computer, Inc. 142
Eagle-Picher Industries, Inc. 143
Eastern Air Devices, Inc. (see Electro Audio Dynamics, Inc.) 151
Eastman Kodak Company 143
Eastport International (see Ametek, Inc.) 23
Eaton Corporation 145
Eberline (see Thermo Electron Corporation) 414
Eby Company (see Pullman-Peabody Company, The) 332
Echlin Inc. 146
EDO Corporation 147
Edwards (see General Signal Corporation) 191
Edwin L. Wiegand Company (see Emerson Electric Co.) 158
EECO Incorporated 147
Efratom Division (see Ball Corporation) 47
EG&G, Inc. 148
E-H International, Inc. 150
EHV Systems, Inc. (see TII Industries, Inc.) 416
Eimac (see Varian Associates, Inc.) 435
EIP Microwave, Inc. 150
Elasco Power Supply (see Keltron Corporation) 243
Electric Indicator Company, Inc. (see EDO Corporation) 147
Electric Regulator Corporation 151
Electrical Industries (see North American Philips Corporation) 310
Electricar Corp. (see Electric Regulator Corporation) 151
Electro Audio Dynamics, Inc. 151
Electro Dynamics (see SFE Technologies) 365
Electro-Kinesis, Inc. (see Superior Electric Company, The) 392
Electrodynamics, Inc. (see Talley Industries, Inc.) 395
Electrohome Limited 152
Electromagnetic Sciences, Inc. 153
Electron Tube (see Litton Industries, Inc.) 258
Electronic Associates, Inc. 153
Electronic Control Systems, Inc. 154
Electronic Devices, Inc. (see Rectisel Corporation) 341
Electronic Enclosures (see Wyle Laboratories) 459
Electronic Memories & Magnetics Corporation (see The Titan Corporation) 417

PAGE

Electronic Modules Corporation (see Rexnord Inc.) 344
Electronics Corporation of America 155
Electronics, Missiles & Communications, Inc. 155
Electro-Nite Co. (see Midland-Ross Corporation) 286
Electro-Nucleonics, Inc. 156
Electrospace Systems, Inc. 157
Electrotel, Inc. (see Electrospace Systems, Inc.) 157
Eli Lilly and Company 157
Elliott Industries (see Vishay Intertechnology, Inc.) 440
Ellis and Watts (see Dynamics Corporation of America) 137
Elmac Corporation, The (see Eagle-Picher Industries, Inc.) 143
Elox (see Colt Industries Inc.) 84
EMC (see Micro Mask, Inc.) 283
Emerson Electric Co. 158
Emerson Radio Corp. 160
Emhart Corporation 160
EMICO (see Sheller-Globe Corporation) 366
EMR (see Schlumberger Limited) 356
Enbee Transparent Specialty Company (see Bell & Howell Company) 57
Encoder (see Litton Industries, Inc.) 258
Endevco (see Becton, Dickinson and Company) 54
Energy Conversion Devices, Inc. 161
Energy Sentinel (see Jetronic Industries, Inc.) 237
Enertec (see Schlumberger Limited) 356
Engineered Systems, Inc. (see Square D Company) 381
Ensign Electric (see Harvey Hubbell, Incorporated) 206
Enterprise Electronics Corporation (see Tech-Sym Corporation) 402
Epicure Products, Inc. (see Penril Corp.) 323
EPSCO, Incorporated 162
ESL Incorporated (see TRW Inc.) 422
Esmark, Inc. (see Beatrice Companies, Inc.) 53
Esquire Radio & Electronics, Inc. 162
Essex Group, Inc. (see United Technologies Corporation) 430
Essick/Hadco Manufacturing (see Figgie International Inc.) 172
Esterline Corporation 163
E-Systems, Inc. 164
ETA Systems, Inc. (see Control Data Corporation) 99
Eureka X-Ray Tube (see Litton Industries, Inc.) 258

INDEX

PAGE

Evans & Sutherland Computer Corporation 165
Eveleth Taconite Company (see Ford Motor Company) 176
Ex-Cell-O Corporation 166
Excel Products Company (see Thomas & Betts Corporation) 415
Excellon Industries (see Esterline Corporation) 163
Extek Microsystems, Inc. 167
Exxon Corporation 168

Fabri-Tek Incorporated (see CTS Corporation) 108
Fafnir Bearing (see Textron Inc.) 412
Fairbanks Morse (see Colt Industries Inc.) 84
Fairchild Industries, Inc. 168
Falk Corporation, The (see Sundstrand Corporation) 391
Fanon/Courier Corporation (see Resdel Industries) 342
Fansteel Inc. 169
Farwest Manufacturing (see Bell Industries) 58
Fastex (see Illinois Tool Works Inc.) 220
Federal Products Corp. (see Esterline Corporation) 163
Federated Purchaser, Inc. 170
Fee & Mason (see Figgie International Inc.) 172
Fenwal Incorporated (see Kidde, Inc.) 245
Fermont (see Dynamics Corporation of America) 137
Ferro Manufacturing Corp. (see Johnson Controls, Inc.) 239
Ferronics, Incorporated 171
Fiber Optics Research and Development Company (see Jetronic Industries, Inc.) 237
Fifth Dimension Inc. 171
Figgie International Inc. 172
Filtron Co., Inc. (see Aeroflex Laboratories Incorporated) 8
Finnigan Corporation 174
Fire Control Instruments Inc. (see Kidde, Inc.) 245
First Colorado Leasing Corp. (see Hathaway Corporation) 207
Fischer & Porter Company 175
Fisher Controls International, Inc. (see Monsanto Company) 295
Fleet Aerospace Corporation 175
Flight Systems, Inc. (see Tracor, Inc.) 418
Flonic (see Schlumberger Limited) 356
Flowtron (see Armatron International, Inc.) 33
Food Technology Corporation (see General Kinetics Incorporated) 189
Ford Motor Company 176
Foundation Mechanics, Inc. (see Wyle Laboratories) 459

PAGE

Fowler & Williams (see Kidde, Inc.) 245
Foxboro Company, The 178
Frederick Electronics Corporation (see Plantronics, Inc.) 327
Freeman Products (see Avnet, Inc.) 43
Freeman United Coal Mining Co. (see General Dynamics Corporation) 186
Frequency Electronics, Inc. 179
Frequency Sources (see Loral Corporation) 267
FRL, Incorporated (see Cohu, Inc.) 84
FSI Services (see Tracor, Inc.) 418
Fulton Sylphon (see Robertshaw Controls Company) 346
Funk (see Cooper Industries, Inc.) 101

G & H Technology (see Penn Central Corporation) 322
G.S. Parsons Companies (see Cubic Corporation) 109
G.V.G. International Ltd. (see Tektronix, Inc.) 403
Gallium Arsenide Products, Inc. (see M/A-COM, Inc.) 270
Gamma S.A. (see Barry Wright Corporation) 50
GAP Instrument Corp. 179
Gardner Laboratory (see Pacific Scientific Company) 318
Gardner-Denver Mining & Construction (see Cooper Industries, Inc.) 101
Garlock Special Products (see Colt Industries Inc.) 84
Garrett (see Allied-Signal Inc.) 15
Gates Learjet Corporation 180
GCA Corporation 181
GE (see General Electric Company) 186
GenCorp 181
Genelcom Limited (see Canadian General Electric Company Limited) 75
General Automation, Inc. 182
General Binding Corporation 183
General Cable Company (see Penn Central Corporation) 322
General Ceramics Inc. 184
General DataComm Industries, Inc. 184
General Defense Corporation 185
General Dynamics Corporation 186
General Dynamics Services Co. (see General Dynamics Corporation) 186
General Electric Company 186
General Indicator Corporation (see CompuDyne Corporation) 88
General Instrument Corporation 188
General Kinetics Incorporated 189

INDEX

PAGE

General Microcircuits Corp. (see General Microwave Corporation) 189
General Microwave Corporation 189
General Motors Corporation 190
General Railway Signal (see General Signal Corporation) 191
General Semiconductor Industries, Inc. (see Square D Company) 381
General Signal Corporation 191
General Time Corporation (see Talley Industries, Inc.) 395
General Tire (see GenCorp) 181
General Tire Instruments, Inc. (see Talley Industries, Inc.) 395
Genie Home Products, Inc. (see North American Philips Corporation) 310
Genisco Computers Corp. (see Genisco Technology Corporation) 192
Genisco Technology Corporation 192
GenRad, Inc. 193
Geo. J. Meyer Manufacturing (see Figgie International Inc.) 172
Geometric, Inc. (see EG&G, Inc.) 148
Geophysical Service, Inc. (see Texas Instruments Incorporated) 411
George Risk Industries, Inc. 194
Geotel, Inc. 195
Gerber Garment Technology, Inc. (see Gerber Scientific Inc.) 195
Gerber Scientific Inc. 195
Gerber Systems Technology (see Gerber Scientific Inc.) 195
Gilford Instrument Laboratories, Inc. (see Corning Glass Works) 104
Ginn & Company (see Xerox Corporation) 460
GK Technologies Inc. (see Penn Central Corporation) 322
Glassalum (see Nortek, Inc.) 309
Gleason Corporation 196
Glidden Coatings and Resins (see SCM Corporation) 361
Globe Motors (see TRW Inc.) 422
Globe Security Systems, Inc. (see Kidde, Inc.) 245
GMC (see General Motors Corporation) 190
Go-Power Corporation (see Buck Engineering Co., Inc.) 67
Golden Engineering (see E-H International, Inc.) 150
Golden Technology, Inc. (see E-H International, Inc.) 150
Golden Triangle Plastics, Inc. (see Rexnord Inc.) 344

PAGE

Goodren Products Corporation (see EAC Industries, Inc.) 142
Goodrich (see Conrac Corporation) 98
Goodyear Aerospace Corporation (see Goodyear Tire & Rubber Company, The) 197
Goodyear Tire & Rubber Company, The 197
Gould Inc. 198
Government Communications Systems (see Harris Corporation) 205
Government Electronic Systems (see Harris Corporation) 205
Government Information Systems (see Harris Corporation) 205
Grado Software and Computer Systems GmbH (see Computervision Corporation) 97
Grant Technology Systems Corp. (see Computer Products, Inc.) 93
Graphic Research Inc. (see Methode Electronics, Inc.) 281
Graphic Scanning Corp. 199
Graphics Technology Corporation (see Burroughs Corporation) 69
Grass Valley Group, Inc., The (see Tektronix, Inc.) 403
Graymark International, Inc. (see Buck Engineering Co., Inc.) 67
Grayson Controls (see Robertshaw Controls Company) 346
Great Lakes-Eglinton (see Core Industries Inc.) 103
Greenlee Bros. & Co. (see Ex-Cell-O Corporation) 166
Greenwald Industries (see Kidde, Inc.) 245
GRI Research and Development Laboratories, Inc. (see George Risk Industries, Inc.) 194
GRI Telemark Corp. (see George Risk Industries, Inc.) 194
Grimes (see Midland-Ross Corporation) 286
Grumman Corporation 199
GS Electric (see General Signal Corporation) 191
GSC Systems Development Corp. (see Graphic Scanning Corp.) 199
GSE, Inc. (see Core Industries Inc.) 103
GTE Corporation 200
GTI Corporation 201
Guidance & Control Systems (See Litton Industries, Inc.) 258
Gulfstream Aerospace Corp. (see Chrysler Corporation) 79

Hackett Precision Company (see Gleason Corporation) 196
Hadco Corporation 202

INDEX

PAGE

Halcyon Communications, Inc. (see Torotel, Inc.) 418
Halkey-Roberts (see Kidde, Inc.) 245
Halliburton Company 203
Hallmark Nameplate, Inc. (see Park Electrochemical Corp.) 320
Halmar Electronics, Inc. (see High Voltage Engineering Corporation) 215
Halo Lighting (see Cooper Industries, Inc.) 101
Hamilton Digital Controls, Inc. 204
Hamilton Standard (see United Technologies Corporation) 430
Hamilton Technology, Inc. (see General Defense Corporation) 185
Hamilton/Avnet Electronics (see Avnet, Inc.) 43
Hapco (see Kearney National Inc.) 241
Harowe Servo Controls, Inc. (see Bowmar Instrument Corporation) 65
Harper-Wyman Company (see Oak Industries, Inc.) 315
Harrel, Incorporated 204
Harris Corporation 205
Harris-Calorific (see Emerson Electric Co.) 158
Harry Levin, Inc. (see Jetronic Industries, Inc.) 237
Hartell (see Milton Roy Company) 288
Hartman Electrical Manufacturing (see Figgie International Inc.) 172
Hartman Systems (see Figgie International Inc.) 172
Harvey Hubbell, Incorporated 206
Hathaway Corporation 207
Haveg, Inc. (see Ametek, Inc.) 23
Hays-Republic (see Milton Roy Company) 288
Hazeltine Corporation 208
HCC Industries 209
HDR Power Systems, Inc. (see Hathaway Corporation) 207
Healthdyne Corporation 209
Heater Technology (see Raychem Corporation) 338
Heath (see Schlumberger Limited) 356
Heath Company (see Zenith Electronics Corporation) 463
HEI Inc. 210
Heil-Quaker Corporation (see Whirlpool Corporation) 454
Heinicke Instruments Company 211
Henschel (see General Signal Corporation) 191
Herman H. Smith, Inc. (see North American Philips Corporation) 310
Hermes Electronics Ltd. (see Magna International Inc.) 271
Hermetic Seal Corporation (see HCC Industries) 209

PAGE

Hevi-Duty Electric (see General Signal Corporation) 191
Hewlett-Packard Company 211
HIAC (see Pacific Scientific Company) 318
Hickok Electrical Instrument Company, The 214
High Voltage Devices, Inc. (see Unitrode Corporation) 433
High Voltage Engineering Corporation 215
Hilton Industries, Inc. (see Core Industries Inc.) 103
Hipotronics, Inc. 216
Hoffman Industrial Products (see Premier Industrial Corporation) 330
Holcomb, J.I. (see Premier Industrial Corporation) 330
Holcroft (see Thermo Electron Corporation) 414
Holo-Krome Company (see Western Pacific Industries, Inc.) 450
Holobeam Laser, Inc. (see Control Laser Corporation) 100
Honeywell, Inc. 216
Honeywell/Ericsson Development Company (see Honeywell, Inc.) 216
Hoover Electric Company (see Teleflex Incorporated) 406
Hoover Universal, Inc. (see Johnson Controls, Inc.) 239
Hotpack (see Heinicke Instruments Company) 211
Houston Instrument (see Ametek, Inc.) 23
Houston Instrument (see Bausch & Lomb Incorporated) 52
HR Textron, Inc. (see Textron Inc.) 412
HRB-Singer, Inc. (see Singer Company, The) 371
Hughes Supply, Inc. 218
Humiseal (see Columbia Chase Corporation) 86
Humphrey, Inc. 219
Hunter Spring (see Ametek, Inc.) 23
Hurletron Altair, Inc. (see Altair Corporation) 16
Husky Products, Inc. (see Burndy Corporation) 69
Hustler, Inc. (see Armatron International, Inc.) 33
Hutson Aerospace, Inc. (see Teleflex Incorporated) 406
Hy-Gain/Turner (see Telex Corporation, The) 407
Hybritech (see Avnet, Inc.) 43
Hyde Company, A.L. (see Western Pacific Industries, Inc.) 450
Hydra-Power (see Teledyne, Inc.) 404
Hydreco (see General Signal Corporation) 191
Hydroscience, Inc. (see Whitehall Corporation) 455
Hydrotherm Companies (see Penn Central Corporation) 322

INDEX

PAGE

Hydrotronics, Inc. (see Data-Design Laboratories) 116
Hyperion Industries Corp. (see Pullman-Peabody Company, The) 332

IAC Development Corp. (see Industrial Acoustics Company) 222
IBM Corporation (see International Business Machines Corporation) 230
IC Industries 219
ICOT Corporation 220
Ideal Security Hardware Corp. (see EAC Industries, Inc.) 142
IFR, Inc. (see Regency Electronics, Inc.) 341
Illinois Cable Corp. (see Anixter Bros., Inc.) 30
Illinois Tool Works Inc. 220
Illitron (see Illinois Tool Works Inc.) 220
Image Systems, Inc. 222
Indalux (see Kidde, Inc.) 245
Industrial Acoustics Company 222
Industrial Microwave Corporation (see United Aircraft Products, Inc.) 428
Industrial Nucleonics Corporation (see AccuRay Corporation) 2
Inet (see Teledyne, Inc.) 404
Infinity Systems, Inc. (see Electro Audio Dynamics, Inc.) 151
INFONET (see Computer Sciences Corporation) 94
Inforex, Inc. (see Datapoint Corporation) 117
Information International, Inc. 223
Information Magnetics Corporation (see Computer & Communications Technology Corp.) 90
Information Systems International (see Harris Corporation) 205
Information Systems of America, Inc. (see United Telecommunications, Inc.) 431
Infrared Industries, Inc. 224
Innovative Electronics, Inc. (see Dynatech Corporation) 140
Instanet Cable, Inc. (see Micom Systems, Inc.) 282
InstaRead Corporation (see Rexnord Inc.) 344
Instron Corporation 224
Instrument Systems Corporation 225
Insurnet, Inc. (see Quotron Systems, Inc.) 333
Intech Incorporated 226
Integra, Inc. (see Dynatech Corporation) 140
Integrated Circuits Incorporated 227
Integrated Device Technology, Inc. 227
Integrated Networks, Inc. (see AVX Corporation) 44
Intel Corporation 228

PAGE

Inter-Globe Security Services, Ltd. (see Kidde, Inc.) 245
Intercontinental Dynamics Corp. (see Sun Chemical Corporation) 389
Interdyne Company 228
Interface Technology, Inc. (see Dynatech Corporation) 140
INTERMEC Corporation 229
International Business Machines Corporation 230
International Controls Corp. 231
International Cybernetics Corp. (see Gould Inc.) 198
International Electronic Research Corporation (see Dynamics Corporation of America) 137
International Products & Manufacturing, Inc. (see Kearney National Inc.) 241
International Rectifer Canada Ltd. (see International Rectifier Corporation) 232
International Rectifier Corporation 232
International Telephone and Telegraph Corporation (see ITT Corporation) 235
Interpretation Systems, Inc. (see DBA Systems, Inc.) 121
Interstate Electronics (see Figgie International Inc.) 172
Interstate Engineering (see Figgie International Inc.) 172
Intra-Acoustics Company, Ltd. (see Industrial Acoustics Company) 222
Ion Physics Corporation (see High Voltage Engineering Corporation) 215
Ionics, Incorporated 232
IPM Technology, Inc. 233
Irathane (see Illinois Tool Works Inc.) 220
IRT Corporation 234
ISC Audio - Earth Sound Research (see Instrument Systems Corporation) 225
Iseli Company (see Western Pacific Industries, Inc.) 450
Isomet Corporation 234
Isotronics, Inc. (see Augat Inc.) 39
ITS International, Inc. (see Dynalectron Corporation) 136
ITT Corporation 235
IVAC Corporation (see Eli Lilly and Company) 157

J.W. Miller (see Bell Industries) 58
Jaco Electronics, Inc. 236
Jade Corporation, The (see Kidde, Inc.) 245
Jay-El Products, Inc. (see Ducommun Incorporated) 134
Jenoa Incorporated (see EIP Microwave, Inc.) 150

INDEX

PAGE
Jerrold (see General Instrument Corporation) 188
Jet Avion (see Heinicke Instruments Company) 211
Jet Electronics & Technology, Inc. (see Gates Learjet Corporation) 180
Jet International Corp. (see AAR Corp.) 1
Jet Research Center, Inc. (see Halliburton Company) 203
Jetronic Industries, Inc. 237
JK Lasers Limited (see Lumonics Inc.) 269
John Chatillon & Sons, Inc. (see Technitrol, Inc.) 400
John Fluke Mfg. Co., Inc. 237
Johnson & Johnson 238
Johnson Controls, Inc. 239
Jones & Laughlin Steel Corporation (see LTV Corporation, The) 268
Jordan Electric, Inc. (see Vishay Intertechnology, Inc.) 440
Julie Research Laboratories, Inc. 240

Kaman Corporation 241
Kamatics Corporation (see Kaman Corporation) 241
Kar-ry T[illegible] (see UMC Electronics Co.) 427
Kayex (see General Signal Corporation) 191
KB-Denver, Inc. (see Square D Company) 381
Kearfott (see Singer Company, The) 371
Kearney & Trecker Corporation (see Cross & Trecker Corporation) 108
Kearney National Inc. 241
Keene Products, Inc. (see CTS Corporation) 108
Keithley Instruments, Inc. 242
Kelsey Welding Supply Corporation (see Snap-on Tools Corporation) 374
Keltron Corporation 243
Kemp Company of Maryland (see Monsanto Company) 295
Kenmode Mfg. Co., Inc. (see Metro-Tel Corp.) 282
Kennedy Company (see Allegheny International, Inc.) 12
Kent Industries (see Premier Industrial Corporation) 330
Kentrox Industries, Inc. (see Plantronics, Inc.) 327
Kenyon Magnetics, Inc. (see RMS Electronics, Inc.) 345
Kerite Company, The (see Harvey Hubbell, Incorporated) 206
Kersey Manufacturing (see Figgie International Inc.) 172
Kevex Corporation 244
Kevlin Microwave Corporation 245
Kidde, Inc. 245
Kierulff (see Ducommun Incorporated) 134

PAGE
Kilgore Company (see Allegheny International, Inc.) 12
Killark Electric Manufacturing Co. (see Harvey Hubbell, Incorporated) 206
Kimball Systems (see Litton Industries, Inc.) 258
Kin-Tech (see Pacific Scientific Company) 318
Kinney Vacuum (see General Signal Corporation) 191
Kirsch (see Cooper Industries, Inc.) 101
KLA Instruments Corp. 249
Kleinschmidt (see SCM Corporation) 361
KLH Research and Development Corp. (see Electro Audio Dynamics, Inc.) 151
KMW Systems Corporation 249
Knogo Corporation 250
Kodak (see Eastman Kodak Company) 143
Koehler-Dayton (see Litton Industries, Inc.) 258
Kollmorgen Corporation 250
Kollsman Instrument (see Sun Chemical Corporation) 389
Kolux (see CompuDyne Corporation) 88
Koss Corporation 251
Kraftube, Inc. (see Dyneer Corporation) 141
Kulicke and Soffa Industries, Inc. 252
Kulka Electric Corp. (see North American Philips Corporation) 310
Kuras Alterman Corporation (see Raytheon Company) 339
Kurzweil Computer Products, Inc. (see Xerox Corporation) 460
Kustom Electronics, Inc. 253

Lab-Volt Systems (see Buck Engineering Co., Inc.) 67
LaBarge, Inc. 253
Laboratory Data Control (see Milton Roy Company) 288
Labtest Equipment Company (see Baird Corporation) 47
Lafayette Precision Products, Inc. (see Vernitron Corporation) 439
Lamb Electric (see Ametek, Inc.) 23
Lambda Electronics (see Veeco Instruments Inc.) 437
Lambda Physics (see Coherent, Inc.) 83
Lambda Physik (see Coherent, Inc.) 83
Laminex, Inc. (see Rexham Corporation) 343
Lamotite, Inc. (see Rexham Corporation) 343
Landauer, Jr. & Co., R. S. (see Tech/Ops, Inc.) 401
Lanier Business Systems (see Harris Corporation) 205
LaPointe Industries Inc. 254

INDEX

PAGE

Laser Analytics, Inc. (see Spectra-Physics, Inc.) 377
Laser Diode, Inc. (see M/A-COM, Inc.) 270
Laser Identification Systems, Inc. (see Lumonics Inc.) 269
Laser Inc. (see Coherent, Inc.) 83
LEA Dynatech, Inc. (see Dynatech Corporation) 140
Lear Siegler, Inc. 255
Lee Data Corporation 256
Lee Spring Company, Inc. (see Unimax Group Inc., The) 428
Leece-Neville (see Sheller-Globe Corporation) 366
Leeds & Northrup (see General Signal Corporation) 191
LeFebure Corporation (see Kidde, Inc.) 245
LFE Corporation 257
Librascope (see Singer Company, The) 371
Licon (see Illinois Tool Works Inc.) 220
Lift Parts Mfg. Co. (see Echlin Inc.) 146
Lightron Corporation (see Instrument Systems Corporation) 225
Lincoln Controls (see Avnet, Inc.) 43
Lindberg (see General Signal Corporation) 191
LINKABIT, Inc. (see M/A-COM, Inc.) 270
Lion Precision Corporation 258
Littlefuse Tracor, Inc. (see Tracor, Inc.) 418
Litton Industries, Inc. 258
Lockheed Corporation 264
Lodding (see Thermo Electron Corporation) 414
Loftus (see Thermo Electron Corporation) 414
Logan Co. (see Figgie International Inc.) 172
LogEtronics Inc. 265
LogEtronics, Inc. (see DBA Systems, Inc.) 121
Logicon, Inc. 265
LogiMetrics, Inc. 266
Loral Corporation 267
Lorch Electronics Corp. (see Vernitron Corporation) 439
Los Angeles Die Casting (see Ametek, Inc.) 23
LSI Products (see TRW Inc.) 422
LTV Corporation, The 268
Lucas Machine (see Litton Industries, Inc.) 258
Ludlow Corporation (see Tyco Laboratories, Inc.) 425
Lumacell, Inc. (see Square D Company) 381
Lumonics Inc. 269
Lumonics Softward Ltd. (see Lumonics Inc.) 269
Lynch Circuits Inc. (see Lynch Communication Systems, Inc.) 269
Lynch Communication Systems, Inc. 269

M/A-COM, Inc. 270
Macbeth (see Kollmorgen Corporation) 250

PAGE

Machine Remarketing Corporation (see Cross & Trecker Corporation) 108
Machine Vision Products (see Analog Devices, Inc.) 25
Machlett Laboratories, Inc., The (see Raytheon Company) 339
MACOMNET, Inc. (see M/A-COM, Inc. 270
Magna International Inc. 271
Magnavox (see North American Philips Corporation) 310
Magnedyne (see Sierracin Corporation) 368
Magnetic Controls Company 272
Maintenance, Inc. (see Premier Industrial Corporation 330
Mangood Corporation 272
Mansfield & Green (see Ametek, Inc.) 23
Manufacturers' Assistance Corporation (see Resdel Industries) 342
Marantz Company Inc. 273
Marblehead Lime Co. (see General Dynamics Corporation) 186
Mark Antenna Products, Inc. (see Radiation Systems, Inc.) 334
Mark Eyelet, Inc. (see AMP Incorporated/Pamcor, Inc.) 24
Market Information, Inc. (see United Telecommunications, Inc.) 431
Mars Aircraft Radio Service Company (see AAR Corp.) 1
Marsh Instruments (see General Signal Corporation) 191
Marshall Industries 274
Martin Marietta Corporation 274
Martin-Decker (see Cooper Industries, Inc.) 101
Mason Electric Company, Inc. (see Clarostat Mfg. Co., Inc.) 81
Masters Merchandise Mart, Inc. (see Astrex, Inc.) 36
Material Service Corp. (see General Dynamics Corporation) 186
Materials Research Corporation 275
Mathematical Sciences Northwest, Inc. (see Spectra-Physics, Inc.) 377
Matrix Research and Development Corporation (see Electro Audio Dynamics, Inc.) 151
McBee Systems (see Litton Industries, Inc.) 258
McCord Corporation (see Ex-Cell-O Corporation) 166
McCormick Communications, Inc. (see Tech/Ops, Inc.) 401
McCormick Selph (see Teledyne, Inc.) 404
McCoy Electronics Company (see Oak Industries, Inc.) 315

INDEX

PAGE

McCrometer (see Ametek, Inc.) 23
McDonnell Douglas Corporation 276
McGraw-Edison Battery Products (see Cooper Industries, Inc.) 101
McGraw-Edison Power Systems (see Cooper Industries, Inc.) 101
McGraw-Edison Service (see Cooper Industries, Inc.) 101
McKinney Manufacturing Company (see Kidde, Inc.) 245
McLean Engineering (see Zero Corporation) 464
MCM Electronics (see Premier Industrial Corporation) 330
MDC Realty Company (see McDonnell Douglas Corporation) 276
MDS International (see Mohawk Data Sciences Corp.) 293
Measurex Corporation 277
Mechanical Technology Incorporated 278
Med Rel, Inc. (see Medtronic, Inc.) 278
Media Network, Inc. (see Minnesota Mining and Manufacturing Company) 290
Media Technology Corporation (see Storage Technology Corporation) 388
Medtronic, Inc. 278
Megadata Corporation 279
Megatek Corp. (see United Telecommunications, Inc.) 431
Mektron Europe (see Rogers Corporation) 349
Mellonics (see Litton Industries, Inc.) 258
Melpar (see E-Systems, Inc.) 164
Memodyne Corp. (see Computer Products, Inc.) 93
Memorex Corporation (see Burroughs Corporation) 69
Mendels, Co., R.I. (see Rectisel Corporation) 341
Mepco/Eltra, Inc. (see North American Philips Corporation) 310
Merit Protective Service Inc. (see Kidde, Inc.) 245
Meteorology Research, Inc. (see Cohu, Inc.) 84
Metermaster (see Ducommun Incorporated) 134
Metex Corporation 280
Methode Electronics, Inc. 281
Metier Management Systems (see Lockheed Corporation) 264
Metra Electronics Corporation 281
Metric Systems Corporation (see Tech-Sym Corporation) 402
Metro-Tel Corp. 282
Metron, S.A. (see Ametek, Inc.) 23
Metropolitan Circuits Incorporated (see Nuclear Data, Inc.) 314
Mexia Fabricators, Inc. (see Radiation Systems, Inc.) 334

PAGE

MFE Instruments Corp. (see Stocker & Yale, Inc.) 387
MHP Machines, Inc. (see Moog Inc.) 296
Micom Systems, Inc. 282
Micro Bond Technologies, Inc. (see Gould Inc.) 198
Micro Mask, Inc. 283
Micro Networks Corporation (see Unitrode Corporation) 433
Micro Office Systems Technology, Inc. (see Telxon Corporation) 408
Micro-Components Organization (see Burroughs Corporation) 69
Micro-El Ptent Corporation (see General Microwave Corporation) 189
Micro-Peripherals, Inc. (see CTS Corporation) 108
Micro-Rel (see Medtronic, Inc.) 278
Micro-Tel Corp. (see Adams-Russell Co., Inc.) 5
Microcap, Inc. (see Microsemi Corporation) 285
Microdata, Ltd. (see Transducer Systems, Inc.) 420
Microdyne Corporation 284
Microelectronics (see Ametek, Inc.) 23
Microfab Systems Corporation (see Drexler Technology Corporation) 134
Microfab, Inc. (see Semicon, Inc.) 362
Microfoam, Inc. (see Ametek, Inc.) 23
Micronetics (see Teledyne, Inc.) 404
Micropac Industries, Inc. 284
Microsemi Corporation 285
Microsemiconductor Ltd. (see Microsemi Corporation) 285
Microtel, Inc. (see M/A-COM, Inc.) 270
Microtime, Inc. (see Andersen Group, Inc.) 28
Microtronics Corp. (see Ragen Corporation) 335
Microwave Filter Co., Inc. 286
Mid-Continent Computer Services, Inc. (see ADAC Laboratories) 3
Midland Brake, Inc. (see Echlin Inc.) 146
Midland-Ross Corporation 286
Midtex (see Midland-Ross Corporation) 286
Midwest International, Inc. (see Bunting Inc.) 68
Miki Zero-Max Ltd. (see Barry Wright Corporation) 50
Mil-Spec Computer (see International Business Machines Corporation) 230
Milgray Electronics, Inc. 288
Miller Electric Co. (see Avnet, Inc.) 43
Miller Lighting (see Harvey Hubbell, Incorporated) 206
Miller-Holzwarth, Inc. (see Baird Corporation) 47

INDEX

PAGE

MiLo Technology, Inc. (see Electronic Control Systems, Inc.) 154
Milton Roy Company 288
Minelco (see Talley Industries, Inc.) 395
Mini-Computer Systems, Inc. 289
MiniComputer Technology, Inc. (see E-H International, Inc.) 150
Minitech Research Corp. (see Mini-Computer Systems, Inc.) 289
Minnesota Mining and Manufacturing Company 290
Missouri Research Laboratories, Inc. 291
Mobilite, Inc. (see Kidde, Inc.) 245
Modern Controls Inc. 291
Modular Computer Systems, Inc. 292
Mohawk Data Sciences Corp. 293
Molex Incorporated 293
Monarch Metal Products Corporation (see Nortek, Inc.) 309
Monolithic Components Corp. (see AVX Corporation) 44
Monolithic Memories, Inc. 294
Monroe (see Litton Industries, Inc.) 258
Monsanto Company 295
Montek (see E-Systems, Inc.) 164
Montreal Armature Company Limited (see Canadian General Electric Company Limited) 75
Moog Inc. 296
Moore Instruments Ltd./Ltee. (see Moore Products Co.) 297
Moore Products Co. 297
Mosler Safe Company, The (see American Standard Inc.) 20
Motor Specialties Mfrs. (Ontario Ltd.) (see Magna International Inc.) 271
Motorola, Inc. 297
MPB Corporation (see Allied Signal Inc.) 15
MRC Corporation (see SCOPE Incorporated) 361
MSI Data Corporation 299
MSI Electronics Inc. 299
MTI Systems Corp. (see Ducommun Incorporated) 134
MTL Systems, Inc. (see DBA Systems, Inc.) 121
MTS Systems Corporation 300
Muffolite Ltd. (see Barry Wright Corporation) 50
Multi-Circuits, Inc. (see Tyco Laboratories, Inc.) 425
Multimatic Investments Ltd. (see Magna International Inc.) 271
Mylee Digital Sciences, Inc. 300

N.A.P. Consumer Electronics Corp. (see North American Philips Corporation) 310
Nack Industries Co., Ltd. (see Magna International Inc.) 271

PAGE

Nanticoke Semiconductor (see Diodes Incorporated) 132
NAPCO Scientific Company (see Heinicke Instruments Company) 211
Napco Security Systems, Inc. 301
NAPCO, Inc. (see Thermo Electron Corporation) 414
Narda Microwave (see Loral Corporation) 267
NASCO Engineering Inc. (see Data-Design Laboratories) 116
National Advertising Co. (see Minnesota Mining and Manufacturing Company) 290
National Beryllia Corporation (see General Ceramics Inc.) 184
National Breach & Machine (see Lear Siegler, Inc.) 255
National Computer Systems, Inc. 302
National Controls, Inc. (see SCOPE Incorporated) 361
National Electronics (see Varian Associates, Inc.) 435
National Micronetics, Inc. 302
National Nuclear Corporation (see Thermo Electron Corporation) 414
National Semiconductor Corporation 303
National Spectrographic Laboratories (see Rexham Corporation) 343
National Tel-Tronics (see Electro Audio Dynamics, Inc.) 151
National Twist Drill & Tool (see Lear Siegler, Inc.) 255
NBI, Inc. 304
NCR Corporation 304
Nelco Products, Inc. (see Park Electrochemical Corp.) 320
Nelson Electric (see General Signal Corporation) 191
Network Products, Inc. (see Penril Corp.) 323
Network Systems Corporation 305
Networks Electronic Corp. 306
New Brunswick Scientific Co., Inc. 307
New England Laminates Co., Inc. (see Park Electrochemical Corp.) 320
New Holland (see Sperry Corporation) 379
New York Air Brake (see General Signal Corporation) 191
New Zealand AMP Ltd. (see AMP Incorporated/Pamcor, Inc.) 24
Newark Electronics Corporation (see Premier Industrial Corporation) 330
Newport Electronics, Inc. 307
Newport Plastics Corp. (see Kidde, Inc.) 245
Nicolet Instrument Corporation 308
Nippon STC Kabushiki Kaisha (see Storage Technology Corporation) 388

INDEX

PAGE

Nissen Corporation (see Kidde, Inc.) 245
Norden Systems, Inc. (see United Technologies Corporation) 430
Nortek, Inc. 309
North American Electronics, Inc. (see Saxton Products, Inc.) 354
North American Philips Corporation 310
North American Printed Circuit (see Tyco Laboratories, Inc.) 425
North Atlantic Industries, Inc. 311
North Hills Electronics, Inc. 311
North Supply Company (see United Telecommunications, Inc.) 431
Northern Electric Company (see Northern Telecom Limited) 312
Northern Telecom Limited 312
Northrop Corporation 313
Northwest Industries, Ltd. (see CAE Industries Ltd.) 72
Nuclear Automation (see Esterline Corporation) 163
Nuclear Data, Inc. 314
Nucon Holdings, Inc. (see Semicon, Inc.) 362
Numerifab (see General Kinetics Incorporated) 189
NUS Corporation (see Halliburton Company) 203
NutraSweet Company, The (see Monsanto Company) 295
Nytronics Components Group, Inc. (see Bastian Industries) 51

O.Z./Gedney (see General Signal Corporation) 191
Oak Industries, Inc. 315
Ocean Applied Data (see CompuDyne Corporation) 88
Ocean Technology, Inc. (see Zero Corporation) 464
Octagon Scientific, Inc. (see Regency Electronics, Inc.) 341
Offshore Research & Engineering (see Ametek, Inc.) 23
Ohio Brass Company, The (see Harvey Hubbell, Incorporated) 206
Ohmart Corporation, The 316
Ohmite Manufacturing (see North American Philips Corporation) 310
OIR Europe Inc. (see Computervision Corporation) 97
Omni Spectra, Inc. (see M/A-COM, Inc.) 270
Optical Business Machines, Inc. (see Compugraphic Corporation) 89
Optical Radiation Corporation 316
Optima Enclosures, Ltd. (see Scientific-Atlanta, Inc.) 359
Optimation, Inc. (see Julie Research Laboratories, Inc.) 240

PAGE

Optoelectronics (see General Instrument Corporation) 188
Optron (see TRW Inc.) 422
Orbit Instrument Corporation 317
Orbitran (see Data Card Corporation) 114
Orchard Electronics, Inc. (see SFE Technologies) 365
Orimba, S.A. (see Bio-Rad Laboratories Inc.) 60
Orion Research Incorporated 317
Orionics, Inc. (see Ametek, Inc.) 23
ORTEC Incorporated (see EG&G, Inc.) 148
OSW, Inc. (see M/A-COM, Inc.) 270
Otis Engineering Corporation (see Halliburton Company) 203
Otis Group, Inc. (see United Technologies Corporation) 430
Ovation Instruments (see Kaman Corporation) 241
Ovonics, Inc. (see Energy Conversion Devices, Inc.) 161

Pacer Industries (see Echlin Inc.) 146
Pacific Extrusion (see Ametek, Inc.) 23
Pacific Measurements, Inc. (see Waters Instruments, Inc.) 443
Pacific Scientific Company 318
Packard Electric (see General Motors Corporation) 190
Paktron (see Illinois Tool Works Inc.) 220
Panalarm International, Inc. (see Ametek, Inc.) 23
Panelgraphic Corporation 319
Paradyne Corporation 319
Parisi Associates (see Adams-Russell Co., Inc.) 5
Park Electrochemical Corp. 320
Parker Hannifin Corporation 321
Paul Smith Company (see Standex International Corporation) 384
PCK Elastomerics, Inc. (see Kollmorgen Corporation) 250
PCK Technology (see Kollmorgen Corporation) 250
PED-O-JET International, Inc. (see Vernitron Corporation) 439
Peerless Audio Products (see Electro Audio Dynamics, Inc.) 151
Penn Central Corporation 322
Pennsylvania Pressed Metals, Inc. (see Gleason Corporation) 196
Penril Corp. 323
Pentron Industries, Inc. 324
Perkin-Elmer Corporation, The 325
Perolin (see General Signal Corporation) 191
Personal Computer Products, Inc. 326

INDEX

PAGE

Phaostron Instrument and Electronic Co. (see Sterling Electronics Corporation) 386
Philbrick (see Teledyne, Inc.) 404
Philips Business Systems, Inc. (see North American Philips Corporation) 310
Philips Electronic Instruments, Inc. (see North American Philips Corporation) 310
Philips Home Interactive Systems, Inc. (see North American Philips Corporation) 310
Philips Laboratories (see North American Philips Corporation) 310
Philips Medical Systems, Inc. (see North American Philips Corporation) 310
Pho-Tronics, Inc. (see General Binding Corporation) 183
Phoenix Printed Circuits, Inc. (see Data-Design Laboratories) 116
Photolastic, Inc. (see Vishay Intertechnology, Inc.) 440
Photon Sources GmbH (see Lumonics Inc.) 269
Photon Sources, Inc. (see Lumonics Inc.) 269
Physio-Control Corporation (see Eli Lilly and Company) 157
Piedmont Moulding Corporation (see Kidde, Inc.) 245
Pioneer-Standard Electronics, Inc. 326
Pitometer Log Corporation (see Dewey Electronics Corporation, The) 126
Plantronics, Inc. 327
Plastiglide Ltd. (see Illinois Tool Works Inc.) 220
Plectron Corporation (see Butler National Corporation) 72
Plymouth Products (see Ametek, Inc.) 23
Pneumo Precision, Inc. (see Allied Signal Inc.) 15
Pneunoabex Corporation (see IC Industries) 219
Poise, Inc. (see Mini-Computer Systems, Inc.) 289
Poleline Corporation (see RMS Electronics, Inc.) 345
Porcelain Products, Inc. (see Talley Industries, Inc.) 395
Porta Systems Corp. 327
Potter Company, The (see Varian Associates, Inc.) 435
Powell Industries, Inc. 328
Power Components (see Diodes Incorporated) 132
Power Instruments, Inc. (see Ametek, Inc.) 23
Power Products Ltd. (see Computer Products, Inc.) 93
Power Semiconductors, Incorporated (see Electric Regulator Corporation) 151
Powercube Corporation (see Unitrode Corporation) 433

PAGE

Pratt & Whitney Aircraft (see United Technologies Corporation) 430
Pratt S. Witney (see Colt Industries Inc.) 84
Pratt-Read Corporation 329
Precision Circuits, Inc. (see Tenney Engineering, Inc.) 409
Precision Echo, Inc. (see Diagnostic/Retrieval Systems, Inc.) 127
Precision Photoglass, Inc. (see Drexler Technology Corporation) 134
Premier Autoware (see Premier Industrial Corporation) 330
Premier Fastener (see Premier Industrial Corporation) 330
Premier Industrial Corporation 330
Premier Microwave Corp. (see Comtech, Inc.) 98
Pressure Science, Inc. (see EG&G, Inc.) 148
PRIME Computer, Inc. 331
Princeton Applied Research Corporation (see EG&G, Inc.) 148
Princeton Electronic Products, Inc. 331
Prodelin, Inc. (see M/A-COM, Inc.) 270
Products For Automation (see Barry Wright Corporation) 50
Progress Electronics Inc. (see Astrex, Inc.) 36
Proto-Power Corporation (see Kollmorgen Corporation) 250
Pruzan Company of Illinois, Inc. (see Anixter Bros., Inc.) 30
PTC Aerospace, Inc. (see Pullman-Peabody Company, The) 332
PTI Industries (see Pentron Industries, Inc.) 324
Pullman-Peabody Company, The 332
Pulse Communications (see Harvey Hubbell, Incorporated) 206
Pulse Engineering (see Varian Associates, Inc.) 435

Qualcorp, Inc. (see Penn Central Corporation) 322
Qualitron Corp. (see Hadco Corporation) 202
Quanta Systems Corporation (see CompuDyne Corporation) 88
Quanta-Ray, Inc. (see Spectra-Physics, Inc.) 377
Quantronix Corporation 333
Quelcor, Inc. (see Thomas & Betts Corporation) 415
Quest Electronic Connecteurs (see Thomas & Betts Corporation) 415
Quincy Compressor (see Colt Industries Inc.) 84
Quotron Systems, Inc. 333

R.G. Wallace Co., Inc. (see Ducommun Incorporated) 134

INDEX

PAGE

Rachelle Laboratories, Inc. (see International Rectifier Corporation) 232
Raco, Inc. (see Harvey Hubbell, Incorporated) 206
Radiation Dynamics, Inc. (see Monsanto Company) 295
Radiation Systems, Inc. 334
Radio Frequency Company, Inc. 335
Radio Relay Corp. (see Graphic Scanning Corp.) 199
Radio Shack (see Tandy Corporation) 397
Radiology Management Systems (see ADAC Laboratories) 3
Ragen Corporation 335
Raintight Corporation (see Powell Industries, Inc.) 328
Raltech Logic, Inc. (see Napco Security Systems, Inc.) 301
Ramtek Corporation 336
Ranco Incorporated 336
Rank Xerox (see Xerox Corporation) 460
Rauland (see Zenith Electronics Corporation) 463
Raven Industries, Inc. 337
Ray Jefferson (see Jetronic Industries, Inc.) 237
Raychem Corporation 338
Raycon Corporation (see Ex-Cell-O Corporation) 166
Raytheon Company 339
RCA Corporation (see General Electric Company) 186
Recognition Equipment Incorporated 340
Rectifiers (see Diodes Incorporated) 132
Rectisel Corporation 341
Reda Pump (see TRW Inc.) 422
REDCO (see CompuDyne Corporation) 88
REDM Industries (see Pullman-Peabody Company, The) 332
Reed Devices, Inc. (see Augat Inc.) 39
Reed Printing, Inc. (see Cognitronics Corporation) 82
Reeves-Hoffman (see Dynamics Corporation of America) 137
Regency Electronics, Inc. 341
Regina (see General Signal Corporation) 191
Reliance Electric Company (see Exxon Corporation) 168
Remote Systems, Inc. (see Computer Products, Inc.) 93
REPCO Incorporated (see SCOPE Incorporated) 361
Resco Electronics (see Astrex, Inc.) 36
Resdel Industries 342
Research, Incorporated 343
Retail Terminal Systems, Inc. (see Diebold, Incorporated) 129

PAGE

Reticon Corporation (see EG&G, Inc.) 148
Revere Corporation of America (see Allied Signal Inc.) 15
Rexair, Inc. (see Kidde, Inc.) 245
Rexham Corporation 343
Rexnord Inc. 344
Rexon Technology Corp. (see Pullman-Peabody Company, The) 332
Reynolds Electrical & Engineering Co., Inc. (see EG&G, Inc.) 148
RF Communications (see Harris Corporation) 205
Richleu Corporation (see George Risk Industries, Inc.) 194
Ridge, Inc. (see IRT Corporation) 234
Riker Laboratories, Inc. (see Minnesota Mining and Manufacturing Company) 290
Riker-Maxson Corporation (see Unimax Group Inc., The) 428
Ripley Company, Inc. 345
Ristance Corp. (see Echlin Inc.) 146
Rixon (see Schlumberger Limited) 356
RKO General, Inc. (see GenCorp) 181
RMS Electronics, Inc. 345
Roanwell Corporation (see High Voltage Engineering Corporation) 215
Roberts Corporation (see Cross & Trecker Corporation) 108
Robertshaw Controls Company 346
Robinson-Halpern Company 347
Robotiks, Inc. (see Kulicke and Soffa Industries, Inc.) 252
Robotron (see Midland-Ross Corporation) 286
Rocketdyne (see Rockwell International Corporation) 348
Rockwell International Corporation 348
Rocky Mountain Instruments Inc. (see Allen Organ Company) 14
RODAN (see Ametek, Inc.) 23
Rogers Corporation 349
ROLM Corporation (see International Business Machines Corporation) 230
Romec (see Lear Siegler, Inc.) 255
Ronyx Corporation Ltd. (see Fleet Aerospace Corporation) 175
Ross Matthews Corporation (see Jetronic Industries, Inc.) 237
Rotanium Products Co. (see Premier Industrial Corporation) 330
Roto-Master, Inc. (see Echlin Inc.) 146
Rotron Incorporated (see EG&G, Inc.) 148
Rowe Industries, Inc. (see Talley Industries, Inc.) 395
Rox Automotive (see Bell Industries) 58

INDEX

PAGE

Royco (see Pacific Scientific Company) 318
Royston Laboratories, Inc. (see Columbia Chase Corporation) 86
RTE Corporation 350
Rusco Electronic Systems (see Figgie International Inc.) 172
Russellstoll (see Midland-Ross Corporation) 286
Rust-Lick, Inc. (see Illinois Tool Works Inc.) 220
Rutherford Machinery (see Sun Chemical Corporation) 389
Rutho-Graphics (see Sun Chemical Corporation) 389
RXD, Inc. (see Regency Electronics, Inc.) 341
Ryan Aeronautical (see Teledyne, Inc.) 404

Sadtler Research Laboratories (see Bio-Rad Laboratories Inc.) 60
Safway Steel Products (see Figgie International Inc.) 172
Sage Laboratories, Inc. 351
Salsbury Industries (see Instrument Systems Corporation) 225
San Fernando Electric Manufacturing Company (see SFE Technologies) 365
San/Bar Corporation 352
Sanders Associates, Inc. 352
Sangamo (see Schlumberger Limited) 356
Saphikon (see Tyco Laboratories, Inc.) 425
Sargent & Company (see Kidde, Inc.) 245
Sargent-Welch Scientific Company 354
SatCom Technologies, Inc. (see Radiation Systems, Inc.) 334
Satellite Communications (see Harris Corporation) 205
Satellite Television Corporation (see Communications Satellite Corporation) 87
Satellite Transmission Systems, Inc. (see California Microwave, Inc.) 73
Saxton Products, Inc. 354
Scan-Optics, Inc. 355
Scanbe Manufacturing (see Zero Corporation) 464
SCAT (see Thermo Electron Corporation) 414
Schaak Electronics, Inc. 355
Schaevitz Engineering 356
Schiller Industries, Inc. (see Rexham Corporation) 343
Schjeldahl Company, G.T. (see Sheldahl, Inc.) 365
Schlumberger Limited 356
Schmidt Couplings, Inc. (see Barry Wright Corporation) 50
Schutte & Koerting Company (see Ametek, Inc.) 23
SCI Systems, Inc. 357

PAGE

Sciaky Brothers, Inc. (see Allegheny International, Inc.) 12
Scientific Columbus, Inc. (see Esterline Corporation) 163
Scientific Games, Inc. (see Bally Manufacturing Corporation) 48
Scientific Industries, Inc. 358
Scientific Radio Systems, Inc. 359
Scientific-Atlanta, Inc. 359
Scintrex Limited 360
SCM Corporation 361
SCOPE Incorporated 361
Scott Aviation (see Figgie International Inc.) 172
Searle & Co., G.D. (see Monsanto Company) 295
SEDCO Systems, Inc. (see Raytheon Company) 339
SEEL Financial Services (see Sun Electric Corporation) 390
Seismic Engineering Company (see Whitehall Corporation) 455
Seismograph Service Corporation (see Raytheon Company) 339
Selmer Company, The (see North American Philips Corporation) 310
Semcon Electronics PVT, Ltd. (see Microsemi Corporation) 285
Semetex Corp. (see Semicon, Inc.) 362
Semicon Venture (see Semicon, Inc.) 362
Semicon, Inc. 362
Semiconductor Test Group (see Teradyne, Inc.) 409
Semidyne, Inc. (see Semicon, Inc.) 362
Semtech Corporation 363
Sensor Engineering Co. (see Echlin Inc.) 146
Sensor Technology, Inc. (see Dyneer Corporation) 141
Sensormatic Electronics Corporation 363
Sensors, Inc. (see Dynatech Corporation) 140
Seratronics, Inc. (see Andersen Group, Inc.) 28
Sereg (see Schlumberger Limited) 356
SermeTel Incorporated (see Teleflex Incorporated) 406
Sertech (see Avnet, Inc.) 43
Serv-Air, Inc. (see E-Systems, Inc.) 164
Servair Inc. (see Dynalectron Corporation) 136
Servo Corporation of America 364
SFE Technologies 365
SGL Industries, Inc. (see SL Industries, Inc.) 372
Shadeco, Inc. (see Kidde, Inc.) 245
Shakeproof Products (see Illinois Tool Works Inc.) 220
Sheldahl, Inc. 365
Sheller-Globe Corporation 366

INDEX

PAGE
Shelly Associates Component Products (see Datatron, Inc.) 120
Shock Hydrodynamics (see Whittaker Corporation) 456
Shore Instrument & Mfg. Co., Inc. (see High Voltage Engineering Corporation) 215
Shore Service Station, Inc. (see Microdyne Corporation) 284
Shugart Associates (see Xerox Corporation) 460
SI Handling Systems, Inc. 367
Sickles (see General Instrument Corporation) 188
Sidro Security Products (see Kidde, Inc.) 245
Sierra Electronic (see Lear Siegler, Inc.) 255
Sierra Research Corp. (see LTV Corporation, The) 268
Sierra Supply Co. (see Echlin Inc.) 146
Sierracin Corporation 368
Sigma Instruments, Inc. (see Allied-Signal Inc.) 16
Signal Processing Circuits, Inc. (see Analog Devices, Inc.) 25
Sikorsky Aircraft (see United Technologies Corporation) 430
Silicon General, Inc. 369
Silicon Materials, Inc. (see Ametek, Inc.) 23
Siliconix Incorporated 369
Siltec Corporation 370
Siltron Illumination, Inc. (see Data-Design Laboratories) 116
Simicon (see Robertshaw Controls Company) 346
Simplex Wire and Cable (see Tyco Laboratories, Inc.) 425
Singer Company, The 371
Sippican, Inc. 372
Skil Corporation (see Emerson Electric Co.) 158
SL Industries, Inc. 372
SMC International Inc. (see Standard Microsystems Corporation) 383
SmithKline Beckman Corporation 373
Snap-on Tools Corporation 374
Sola Basic Limited (see General Signal Corporation) 191
Sola Electric (see General Signal Corporation) 191
Soladyne, Inc. (see Rogers Corporation) 349
Solar Voltaic (see Columbia Chase Corporation) 86
Solid Controls, Inc. 375
Solid State Scientific, Inc. (see Penn Central Corporation) 322
Sonar Radio Corporation 375
Sorenson Company (see Raytheon Company) 339
South Wind (see Stewart-Warner Corporation) 386

PAGE
Sparton Corporation 376
Spartus Corporation (see Kidde, Inc.) 245
Spatial Data Systems, Inc. (see DBA Systems, Inc.) 121
Spectra-Physics, Inc. 377
Spectrum Communications and Electronics Corp. (see Graphic Scanning Corp.) 199
Spectrum Control, Inc. 378
Speidel (see Textron Inc.) 412
Sperry Corporation 379
Sperry Rand Corporation (see Sperry Corporation) 379
Spex Group Inc. 380
Spin Physics, Inc. (see Eastman Kodak Company) 143
Spinoid (see Illinois Tool Works Inc.) 220
Spire Corporation 380
Sprague Electric Company (see Penn Central Corporation) 322
Sprague Meter (see Textron Inc.) 412
Sprague World Trade Corp. (see Penn Central Corporation) 322
Sprengnether Instruments, Inc. (see Dyneer Corporation) 141
Square D Company 381
Squibb Corporation 382
Srepco (see Pioneer-Standard Electronics, Inc.) 326
ST-Semicon, Inc. (see Semicon, Inc.) 362
Stalker Corporation, The (see EAC Industries, Inc.) 142
Stamford Tool & Die Customatic, Inc. (see Cognitronics Corporation) 82
Standard Logic, Inc. 383
Standard Microsystems Corporation 383
Standex International Corporation 384
Starrett Company, The L.S. 385
Stein Associates, Inc. (see Adams-Russell Co., Inc.) 5
Stencel Aero Engineering Corporation (see Talley Industries, Inc.) 395
Sterling Automotive (see Avnet, Inc.) 43
Sterling Computer Systems, Inc. (see Sterling Electronics Corporation) 386
Sterling Corporation (see EAC Industries, Inc.) 142
Sterling Electronics Corporation 386
Sterling Instrument (see Designatronics Incorporated) 124
Stevens-Arnold, Inc. (see Computer Products, Inc.) 93
Stewart-Warner Corporation 386
Stocker & Yale, Inc. 387

INDEX

PAGE

Storage Technology Corporation 388
Stratopower (see General Signal Corporation) 191
Straza (see Ametek, Inc.) 23
Strong International (see Canrad, Inc.) 76
Sun Chemical Corporation 389
Sun Electric Corporation 390
Sunair Electronics, Inc. 391
Sundstrand Corporation 391
Sunplate, Inc. (see Columbia Chase Corporation) 86
Suntester Equipment (Central) Ltd. (see Sun Electric Corporation) 390
Superior (see Cooper Industries, Inc.) 101
Superior Electric Company, The 392
Superscope, Inc. (see Marantz Company Inc.) 273
Supreme Electronics Corp. (see Hickok Electrical Instrument Company, The) 214
Survival Technology, Inc. 393
Sweda International (see Litton Industries, Inc.) 258
Switchco, Inc. (see Graphic Scanning Corp.) 199
Sykes Datatronics, Inc. 394
Systemix (see Xerox Corporation) 460
Systems Communications Cable, Inc. (see Scientific-Atlanta, Inc.) 359
Systems Northwest, Inc. (see Hathaway Corporation) 207
Sytek, Inc. (see General Instrument Corporation) 188

T&B Construction & Industrial Marketing (see Thomas & Betts Corporation) 415
T&B Japan Ltd. (see Thomas & Betts Corporation) 415
T&B/Ansley Corp. (see Thomas & Betts Corporation) 415
T.F. Cushing, Inc. (see Astrex, Inc.) 36
T.M.I. (see Bastian Industries) 51
Tab Products Co. 394
Taber (see Teledyne, Inc.) 404
Tailyn Communications Company, Ltd. (see Lynch Communication Systems, Inc.) 269
Talley Industries, Inc. 395
Talma, Inc. (see Talley Industries, Inc.) 395
Tandem Computers Incorporated 396
Tandy Corporation 397
Tangent Industries Ltd. (see Esquire Radio & Electronics, Inc.) 162
Tano Corporation (see Rexnod Inc.) 344
Target Rock Corporation (see Curtiss-Wright Corporation) 110
Tascon Medical Technology, Inc. (see Medtronic, Inc.) 278

PAGE

Tasker Systems (see Whittaker Corporation) 456
Taylor International, Inc. (see Halliburton Company) 203
TEC, Incorporated 398
Teccor Semiconductor (see Ranco Incorporated) 336
Tech Serv, Inc. 398
Tech-source Laboratories, Inc. (see Ciprico Inc.) 80
Technical Communications Corporation 399
Technical Components Company (see Methode Electronics, Inc.) 281
Technical Materiel Corporation, The 399
Technical Operations, Incorporated (see Tech/Ops, Inc.) 401
Technical Systems, Inc. (see Buck Engineering Co., Inc.) 67
Technicare Corporation (see Johnson & Johnson) 238
Techniplast, Inc. (see Pullman-Peabody Company, The) 332
Technitrol, Inc. 400
Technitron International, Inc. (see Dyneer Corporation) 141
Techno, Inc. (see Designatronics Incorporated) 124
Techno-Components Corp. (see Oak Industries, Inc.) 315
Technological Development & Automation Ltd. (see HCC Industries) 209
Technology Incorporated 401
Tech/Ops, Inc. 401
Tech-Sym Corporation 402
Techtran Industries, Inc. 403
Tecnetics, Inc. (see Computer Products, Inc.) 93
Tek-wave, Inc. (see Frequency Electronics, Inc.) 179
Tekonsha Engineering Co. (see Echlin Inc.) 146
Tektronix, Inc. 403
Telecommunications Techniques Corp. (see Dynatech Corporation) 140
Telecommunications Technology (see General Signal Corporation) 191
Teledyne, Inc. 404
Teleflex Incorporated 406
Telemet (see Geotel, Inc.) 195
Telephonics (see Instrument Systems Corporation) 225
TeleSciences, Inc. 407
Telex Corporation, The 407
Tellite (see High Voltage Engineering Corporation) 215
Telxon Corporation 408
Telzon, Inc. (see Augat Inc.) 40

INDEX

PAGE

Tempress (see General Signal Corporation) 191
Tenney Engineering, Inc. 409
Tenva Inc. (see Avnet, Inc.) 43
Teradyne, Inc. 409
Terminal Data Corporation 410
Texas Instruments Incorporated 411
Texscan Corporation 412
Textron Inc. 412
Thermatics (see Teledyne, Inc.) 404
Thermco Products Systems, Inc. (see Allegheny International, Inc.) 12
Thermo Electron Corporation 414
Thermo-O-Disc (see Emerson Electric Co.) 158
Thermodics, Inc. (see Thermo Electron Corporation) 414
Thermometer Corporation of America (see Figgie International Inc.) 172
Thermox Instruments (see Ametek, Inc.) 23
Theta-Com CATV (see Texscan Corporation) 412
Thielex (see Illinois Tool Works Inc.) 220
Thomas & Betts Corporation 415
Thor Power Tool Company (see Stewart-Warner Corporation) 386

3DBM Electronics Corp. (see Gould Inc.) 198

TII Corporation (see TII Industries, Inc.) 416
TII Electronics, Inc. (see TII Industries, Inc.) 416
TII Industries, Inc. 416
Time Electronics/Electro Air (see Avnet, Inc.) 43
Timeplex, Inc. 417
Titan Corporation, The 417
TNY Corporation (see Tenney Engineering, Inc.) 409
Tocum, Inc. (see General Instrument Corporation) 188
Todd Medical Inc. (see Medtronic, Inc.) 278
Toledo Commutator Co. (see Kidde, Inc.) 245
Torotel, Inc. 418
Torrex Corporation (see Varian Associates, Inc.) 435
Townsend (see Textron Inc.) 412
TPC Wire & Cable (see Premier Industrial Corporation) 330
Trace Instrument (see Methode Electronics, Inc.) 281
Tracor, Inc. 418
Trailmobile (see Pullman-Peabody Company, The) 332
Trak Microwave Corporation (see Tech-Sym Corporation) 402

PAGE

Tram/Diamond Corporation (see LaPointe Industries Inc.) 254
Tran Telecommunications Corporation (see Amdahl Corporation) 17
Tranex (see Micro Mask, Inc.) 283
TRANS-DYN Corporation (see Dynalectron Corporation) 136
Trans-Met Engineering, Inc. (see Dynatech Corporation) 140
Transchem (see Jetronic Industries, Inc.) 237
Transcom Electronics Manufacturing, Ltd. (see Lynch Communication Systems, Inc.) 269
Transcom Electronics, Inc. (see Lynch Communication Systems, Inc.) 269
Transducer Controls Corporation (see HCC Industries) 209
Transducer Systems, Inc. 420
Transmation, Inc. 420
Transport Dynamics (see Lear Siegler, Inc.) 255
Trexon Electronics (see Premier Industrial Corporation) 330
Tri-Seal International (see Atlantic Research Corporation) 37
Triad Systems Corporation 421
Triad-Utrad (see Litton Industries, Inc.) 258
TRIDEX Systems, Ltd. (see Triad Systems Corporation) 421
Trigon Industries, Inc. (see Dynatech Corporation) 140
Trion, Inc. 421
Triplett Electrical Instrument Corp. (see Penril Corp.) 323
Trivex, Inc. (see Mohawk Data Sciences Corp.) 293
TRW Inc. 422
TSC Leasing Corporation (see Triad Systems Corporation) 421
TSD Display Products, Inc. (see Megadata Corporation) 279
Tulon, Inc. (see Esterline Corporation) 163
Turbonetics Inc. (see Mechanical Technology Incorporated) 278
Twin City Tool (see Litton Industries, Inc.) 258
TXR, Inc. (see California Microwave, Inc.) 73
Tyco Laboratories, Inc. 425
Tylan Corporation 426
Tylus Systems, Inc. (see E-H International, Inc.) 150

U.S. Bellows (see Ametek, Inc.) 23
U.S. Electrical Motors (see Emerson Electric Co.) 158
U.S. Elevator (see Cubic Corporation) 109
U.S. Gauge (see Ametek, Inc.) 23

INDEX

PAGE
U.S. Telecom, Inc. (see United Telecommunications, Inc.) 431
U.S. Turbine Corp. (see Powell Industries, Inc.) 328
Ultra-Disc, Inc. (see Computer & Communications Technology Corp.) 90
UltraCom, Inc. (see AEL Industries, Inc.) 7
UMC Electronics Co. 427
UMI Manufacturing Corp. (see Napco Security Systems, Inc.) 301
Underwood Electric Co. (see Standex International Corporation) 384
Uni-Line (see Robertshaw Controls Company) 346
Unibus Inc. (see Powell Industries, Inc.) 328
Unimade Industries, Ltd. (see Magna International Inc.) 271
Unimax Group Inc., The 428
Union Switch & Signal (see American Standard Inc.) 20
Union/Butterfield (see Litton Industries, Inc.) 258
Unitax (see McDonnell Douglas Corporation) 276
United Aircraft Products, Inc. 428
United Engineers & Constructors Inc. (see Raytheon Company) 339
United Industrial Corporation 429
United Information Systems, Ltd. (see United Telecommunications, Inc.) 431
United Manufacturing (see UMC Electronics Co.) 427
United Products Company (see Designatronics Incorporated) 124
United Technologies Corporation 430
United Technology Laboratories, Inc. (see UTL Corporation) 434
United Telecommunications, Inc. 431
United Telecontrol Electronics, Inc. 432
United Telephone Systems, Inc. (see United Telecommunications, Inc.) 431
United TeleSentinel, Inc. (see United Telecommunications, Inc.) 431
United TeleSpectrum, Inc. (see United Telecommunications, Inc.) 431
Unitrode Corporation 433
Unitron Inc. (see Superior Electric Company, The) 392
Univac (see Sperry Corporation) 379
Universal Antennas, Inc. (see Radiation Systems, Inc.) 334
Universal Microfilms International (see Xerox Corporation) 460
Universal Propulsion Co., Inc. (see Talley Industries, Inc.) 395

PAGE
Universal Security Instruments, Inc. 433
Universal Voltronics Corp. 434
University Microfilms International (see Bell & Howell Company) 57
URIX Corporation (see TeleSciences, Inc.) 407
USECO (see Litton Industries, Inc.) 258
USP Industries, Inc. (see CAE Industries Ltd.) 72
Utah Scientific, Inc. (see Dynatech Corporation) 140
Uthe Technology, Inc. (see Crestek, Inc.) 107
Utility Tool Corporation (see Ripley Company, Inc.) 345
UTL Corporation 434

Vacudyne Altair, Inc. (see Altair Corporation) 16
Valley Forge Products (see Avnet, Inc.) 43
Valley Foundry (see Ametek, Inc.) 23
Valtec (see M/A-COM, Inc.) 270
Van Kemper Merritt, Inc. (see Xerox Corporation) 460
Van Products (see Standex International Corporation) 384
Varco Systems, Inc. (see Powell Industries, Inc.) 328
Varian Associates, Inc. 435
Varo, Inc. 436
Veeco Instruments Inc. 437
Veeder-Root Company (see Western Pacific Industries, Inc.) 450
Vega Precision Laboratories (see CompuDyne Corporation) 88
Ventures Technology (see Medtronic, Inc.) 278
Vermont Research Corporation 438
Vernitech (see Vernitron Corporation) 439
Vernitron Corporation 439
Vernomatic Ltd. (see Magna International Inc.) 271
Versatec, Inc. (see Xerox Corporation) 460
Vibration Mountings & Controls, Inc. (see Aeroflex Laboratories Incorporated) 8
Vickers (see Sperry Corporation) 379
Vicon Industries, Inc. 440
Victoreen, Inc. (see Sheller-Globe Corporation) 366
Vidar (see TRW Inc.) 422
Video Products (see Datatron, Inc.) 120
Video Satellite, Inc. (see M/A-COM, Inc.) 270
Vishay Intertechnology, Inc. 440
Vision System Technologies (see Weldotron Corporation) 447
Vision-Ease Corporation, The (see BMC Industries, Inc.) 62

INDEX

PAGE

Visirecord Systems (see Barry Wright Corporation) 50
VisuFlex Corp. (see Barry Wright Corporation) 50
Vitatron, N.V. (see Medtronic, Inc.) 278
Vitek Systems Inc. (see McDonnell Douglas Corporation) 276
Vitramon, Incorporated 441
Vitro Corp. (see Penn Central Corporation) 322
Vlier Engineering (see Barry Wright Corporation) 50
Voorlas Manufacturing (see General Signal Corporation) 191
Vought Corporation (see LTV Corporation, The) 268
VRN St. Petersburg (see Vernitron Corporation) 439
VSI Corporation (see Fairchild Industries, Inc.) 168
VT Technologies (see Barnes Engineering Company) 49

W.L. Stevens Ltd. (see Canadian General Electric Company Limited) 75
Wabash (see Kearney National Inc.) 241
Wagner (see Cooper Industries, Inc.) 101
Walter Kidde & Company, Inc. (see Kidde, Inc.) 245
Wang Laboratories, Inc. 442
Ward Electric/Fisher Switches (see Avnet, Inc.) 43
Ward Leonard Electric Co., Inc. (see Unimax Group Inc., The) 428
Warner and Swasey Company (see Cross & Trecker Corporation) 108
Warren/Dielectric (see General Signal Corporation) 191
Waterbury Companies, Inc. (see Talley Industries, Inc.) 395
Waters Instruments, Inc. 443
Waters Manufacturing, Inc. 444
Watkins-Johnson Company 444
Wavecom (see Loral Corporation) 267
Wavetek 445
Weatherford Co., R.V. 445
Weber Technical Products (see Kidde, Inc.) 245
Webtron Corporation (see General Binding Corporation) 183
WEIGH-TRONIX, Inc. 446
Weinschel Engineering Co., Inc. 447
Welco Industries, Inc. (see EAC Industries, Inc.) 142
Weldotron Corporation 447

PAGE

Wells-Gardner Electronics Corporation 448
WER Industrial (see Emerson Electric Co.) 158
WESCO Manufacturing, Inc. (see Dyneer Corporation) 141
West-Cap Arizona (see SFE Technologies) 365
Westchester Plastics (see Ametek, Inc.) 23
Western Digital Corporation 448
Western Electric Company Inc. (see American Telephone & Telegraph Company) 22
Western Electronic Supply Corporation (see Weatherford Co., R.V.) 445
Western Fire Equipment Co. (see Premier Industrial Corporation) 330
Western Microwave Laboratories, Inc. 449
Western Pacific Industries, Inc. 450
Western Sales, Inc. (see Tenney Engineering, Inc.) 409
Western Skyways, Inc. (see AAR Corp.) 1
Westinghouse Air Brake Company (see American Standard Inc.) 20
Westinghouse Canada Inc. 450
Westinghouse Electric Corporation 451
Weston (see Schlumberger Limited) 356
Westrex (see Litton Industries, Inc.) 258
Whirlpool Corporation 454
White-Rodgers (see Emerson Electric Co.) 158
Whitehall Corporation 455
Whitney Corporation, W.A. (see Esterline Corporation) 163
Whittaker Corporation 456
Wilcom Products, Inc. (see Plantronics, Inc.) 327
Wilcox Electric, Inc. (see Northrop Corporation) 313
Williams Electronics, Inc. 457
Wilson Electronics, Inc. (see Regency Electronics, Inc.) 341
Wiltek, Inc. 458
Winchester Electronics (see Litton Industries, Inc.) 258
Windsor Semiconductor (see Diodes Incorporated) 132
Workman Electronic Products, Inc. (see IPM Technology, Inc.) 233
Wright Line GmbH (see Barry Wright Corporation) 50
Wright Line Inc. (see Barry Wright Corporation) 50
Wright Line of Canada Ltd. (see Barry Wright Corporation) 50
Wurlitzer Company, The 459
Wyle Laboratories 459

INDEX

PAGE

Xanar, Inc. (see Johnson & Johnson) 238
Xenotech Laboratories, Inc. (see Medtronic, Inc.) 278
Xerox Corporation 460
Xexex Industries, Inc. 462
X-L Machine and Tool (see Kevlin Microwave Corporation) 245
XLO Materials Handling Co. (see Ex-Cell-O Corporation) 166

Yardney Corporation (see Whittaker Corporation) 456
Yates Industries, Inc. (see Square D Company) 381
Yin Research Corp. (see Square D Company) 381
Youngwood Electronic Metals, Inc. 462

Zeblon, Inc. (see Panelgraphic Corporation) 319
Zehntel, Inc. (see Plantronics, Inc.) 327
Zeltex, Inc. (see Silicon General, Inc.) 369
Zenith Electronics Corporation 463
Zenith Radio Corporation (see Zenith Electronics Corporation) 463
Zero Corporation 464
Zero-Max (see Barry Wright Corporation) 50
Zeta Corp. (see Nicolet Instrument Corporation) 308
Zeta Laboratories, Inc. (see Computer & Communications Technology Corp.) 90
Zin-plas Corporation (see Park Electrochemical Corp.) 320
Zygo Corporation 465

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